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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1950



Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1950



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(For Fiscal Year ended June 30, 1949)

By Joseph Frogatt & Co., Inc.

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City and County of San Francisco
OFFICE OF THE CONTROLLER

October 20, 1950

To His Honor, the Mayor, and The Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1950, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by McLaren, Goode, West & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein is the following audit report:

Office of the Treasurer, by Controller's General Audit Staff.

Audit report on the San Francisco Airport, by Controller's Utilities Audit Staff, is now in process of completion.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes and Company.

Municipal Railway, by Price, Waterhouse & Co.

San Francisco School Department, by Peter Barnett & Co.

The audit of the Retirement System for the fiscal year ended June 30, 1949, by Joseph Froggatt & Co., Inc., was presented too late for publication in last year's report and is therefore included in this report. The audit of the Retirement System for the fiscal year ended June 30, 1950 has not been completed because the department's records are in arrears. The department's mechanical accounting installation has now been completed and progress is being made to maintain the accounts on a current basis.

Respectfully submitted,

H. D. ROSS,
Controller.

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1940-41 to 1949-50

FISCAL YEAR ENDED JUNE 30

1950 (a) 1949 1948 1947

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950 (a)
\$35,054,385.00	\$36,449,752.78	\$37,459,590.91	\$36,736,197.70	\$39,425,735.01	\$41,189,093.18	\$47,214,661.37	\$51,429,241.75	\$60,358,807.60	\$60,699,937
Property Taxes and Penalties.....									4,579,668
Retail Purchase and Use Tax.....									1,506,808
Other Taxes and Licenses.....									1,630,165
Court Fines.....									
Departmental Revenues.....									
Interest Earned.....									418,833
Rents, S. F. United School District.....									371,262
Contributions from Water Department.....									537,093
Cash Transferred from Capital Funds.....									
Cash Transferred from Trust Funds.....									372,387
Housing Authority—in lieu of taxes.....									91,940
Miscellaneous.....									
Transfer from School Cafeteria Fund.....									
Revenues through State of California:									
Shared State Taxes:									
*Motor Vehicle Fuel Tax:									
Special Road Improvement Fund.....									
Special Gas Tax Street Improvement Fund.....									
Motor Vehicle Registration Fees.....									
Motor Vehicle License Fees.....									
Alcohol Beverage License Subsidy.....									
Miscellaneous.....									
State and Federal Grants-in-Aid:									
Maintenance of Minors.....									
Aid to Needy Children.....									
Aid to Needy Blind.....									
Aid to Needy Aged.....									
Inspection Services—Needy Aged and Children.....									
Tuberculosis Aid Subsidy.....									
Aid for Elementary Schools.....									
Aid for High Schools.....									
Aid for Junior College.....									
County School Service Fund.....									
Federal Aid to Schools.....									
Child Care Center.....									
Teachers' Retirement.....									
Fire Boat Subsidy.....									
Civilian War Assistance.....									
Waterfront Expense Subsidy.....									
Aid for Log Cabin Ranch.....									
Post War Planning Projects.....									
Public Health Subsidy.....									
Recreation Department Subsidy.....									
California Centennial Commission.....									
School Cafeteria.....									
Crippled Children Program.....									
Rheumatic Heart Program.....									
U. S. Military Programs — Schools.....									
Total Revenues.....									
\$13,277,928.67	\$13,458,754.56	\$12,741,205.53	\$14,284,689.73	\$14,483,886.28	\$15,885,324.20	\$18,270,856.03	\$26,047,275.23	\$23,915,871.07	\$ 27,449,093
\$52,707,381.28	\$54,701,503.43	\$54,570,558.40	\$57,080,170.00	\$60,068,512.35	\$64,870,874.08	\$73,186,224.20	\$88,637,803.92	\$98,466,758.98	\$103,239,731

*Does not include amount apportioned to the State Highway Trust Fund.

(a) Cents Omitted.
**Denotes Deduction.

CITY AND COUNTY OF SAN FRANCISCO STATEMENT OF EXPENDITURES Fiscal Years 1940-41 to 1949-50

FISCAL YEAR ENDED JUNE 30		1941	1942	1943	1944	1945	1946	1947	1948	1949	1950 (a)
Departmental Expenditures:											
General Government.....	\$ 4,087,802.93	\$ 3,966,206.85	\$ 4,017,123.70	\$ 4,170,178.01	\$ 4,604,101.27	\$ 5,121,793.30	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,828,393
Highways.....	1,304,626.40	1,388,509.01	1,364,362.04	1,386,627.95	1,649,035.34	1,370,110.94	1,473,382.64	1,709,206.37	1,922,531.04	2,046,428	15,228,793
Sanitation and Waste Removal.....	1,066,773.66	1,187,541.87	1,099,575.42	1,252,170.42	1,283,185.36	1,343,903.46	1,472,717.46	1,929,911.11	2,118,572.33	2,141,219	2,141,219
Conservation of Health.....	759,713.00	824,803.59	805,063.46	866,933.90	1,013,418.90	1,071,950.33	1,375,165.57	1,615,711.13	1,892,336.02	2,088,305	6,601,352
Hospitals.....	2,755,472.26	2,982,139.61	3,009,897.72	3,422,944.33	3,746,156.85	3,871,672.83	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352	10,882,610
Charities.....	9,736,673.33	9,977,279.32	8,526,659.14	9,185,570.17	9,178,855.23	9,054,016.99	10,177,329.89	11,707,740.52	8,595,960.80	1,018,600	1,018,600
Schools.....	9,894,956.87	10,554,510.05	10,689,884.92	11,146,572.07	12,499,265.80	12,809,969.37	16,101,288.59	19,136,880.47	21,219,221.03	23,016,066	23,016,066
Libraries.....	391,888.11	2,611,784.64	2,558,841.58	2,830,808.41	3,131,526.97	3,454,570.99	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	5,296,062
Recreation.....	2,329,635.19	2,611,784.64	2,558,841.58	2,830,808.41	3,131,526.97	3,454,570.99	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	5,296,062
Total Departmental Expenditures.....											
	\$39,995,197.68	\$41,650,845.56	\$40,159,585.75	\$43,169,626.38	\$46,677,509.49	\$48,402,476.82	\$58,452,823.60	\$68,103,337.83	\$71,102,986.83	\$ 76,950,480	\$ 76,950,480
Bond Redemptions.....	\$ 3,165,100.00	\$ 3,165,100.00	\$ 3,290,100.00	\$ 3,290,100.00	\$ 2,915,000.00	\$ 2,915,000.00	\$ 3,115,000.00	\$ 3,015,000.00	\$ 4,189,000.00	\$ 4,639,000	\$ 4,639,000
Other Interest.....	1,849,000.76	1,698,242.08	1,557,787.83	1,415,075.18	1,274,056.66	1,152,044.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,298,730
Pensions and Compensation Insurance.....	60,502.11	54,597.78	80,481.06	34,032.24	20,583.63	47,048.96	2,125.00	7,519,358.77	8,285,240.80	10,516,145	10,516,145
Judgments and Losses.....	2,451,517.11	2,493,028.64	2,631,942.56	2,874,331.99	3,209,339.74	3,919,551.29	4,457,047.00	5,714,797	56,543,48	37,177	37,177
Contributions to Public Service Enterprises:	84,244.92	40,616.78	39,570.42	38,829.22	95,846.47	17,947.98	34,483.47	57,147.97	8,285,240.80	56,543,48	56,543,48
Hetch Hetchy Project.....	2,069,583.32	2,164,453.33	2,073,920.99	2,146,434.46	1,920,207.82	2,079,484.21	6,836,06*	1,504,236.56	2,632,670.00	2,966,290	2,966,290
Airports.....	333,590.87	368,576.37	385,466.17	373,694.72	341,688.90	420,332.69	891,489.22	1,504,236.56	2,632,670.00	2,966,290	2,966,290
Municipal Railway.....	2,069,583.32	2,164,453.33	2,073,920.99	2,146,434.46	1,920,207.82	2,079,484.21	6,836,06*	1,504,236.56	2,632,670.00	2,966,290	2,966,290
Public Utilities Commission:											
Light, Heat and Power Bureau.....	1,247,743.83	1,473,319.95	1,147,720.68	570,204.45	1,043,588.06	2,121,018.17	2,733,964.71	2,986,764.38	4,103,630.48	5,034,158	5,034,158
Capital Additions From Revenues.....	1,247,743.83	1,473,319.95	1,147,720.68	570,204.45	1,043,588.06	2,121,018.17	2,733,964.71	2,986,764.38	4,103,630.48	5,034,158	5,034,158
Civilian Defense.....											
Contributions to Other Civil Divisions.....	188,498.00	141,000.00	131,000.00	97,950.12	85,905.48	152,717.60	31,188.55	22,893.96	4,103,630.48	5,034,158	5,034,158
Sponsors Contributions to P.W.A. Projects.....	188,498.00	141,000.00	131,000.00	97,950.12	85,905.48	152,717.60	31,188.55	22,893.96	4,103,630.48	5,034,158	5,034,158
Miscellaneous, net.....	689,416.75	795,964.41	498,803.72*	540,275.61	469,271.83	1,526,953.21	2,432,511.38	733,308.34	1,817,303.93	1,010,910*	1,010,910*
Total Expenditures.....	\$52,134,695.37	\$54,393,899.47	\$51,694,083.01	\$55,274,643.83	\$58,355,112.02	\$62,900,768.02	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$101,501,574
*Denotes Credit.											
(a) Cents Omitted.											





CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
STATEMENT OF OPERATIONS
Fiscal Years 1940-41 to 1949-50

FISCAL YEAR ENDED JUNE 30

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Water Sales.....	\$7,942,605.45	\$7,718,881.72	\$8,235,668.86	\$8,367,222.01	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50
Operating Expenses:										
Provision for Depreciation.....	941,230.98	962,490.24	972,746.92	984,480.57	988,986.46	979,233.30	888,180.86	891,714.46	889,337.61	906,404.87
Other Operating Expenses.....	2,935,558.55	2,872,739.26	2,878,890.49	3,016,644.35	3,150,174.09	3,166,965.09	6,591,925.78	6,795,019.29	7,333,010.93	6,431,285.62
\$3,876,789.53	\$3,835,229.50	\$3,851,637.41	\$4,001,124.92	\$4,139,160.55	\$4,146,198.39	\$7,480,106.64	\$7,686,806.75	\$8,222,348.54	\$7,337,690.49	
Profit from Operations.....	\$3,465,815.92	\$3,883,652.22	\$4,384,031.45	\$4,366,597.04	\$4,271,672.04	\$5,893,970.98	\$3,039,244.71	\$2,927,702.29	\$2,710,006.01	\$2,813,409.01
Other Income.....	102,016.61	126,673.93	136,293.72	146,222.00	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,631.22
\$3,567,832.53	\$4,010,326.15	\$4,520,327.17	\$4,512,819.04	\$4,389,770.56	\$6,062,915.61	\$3,250,018.31	\$3,107,685.44	\$2,955,599.37	\$3,015,060.23	
Other Expenses:										
Interest on Bonded Debt.....	\$1,651,903.33	\$1,584,383.34	\$1,516,863.35	\$1,449,000.00	\$1,381,823.34	\$1,314,303.33	\$1,246,783.33	\$1,179,263.34	\$1,111,743.33	\$1,052,577.44
Other.....	27,427.60	37,264.14	35,445.14	34,000.00	36,563.64	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43
\$1,679,330.93	\$1,621,647.48	\$1,552,308.49	\$1,483,000.00	\$1,418,386.98	\$1,361,940.72	\$1,305,284.84	\$1,219,290.59	\$1,162,623.25	\$1,097,016.87	
Net Income.....	\$1,888,501.60	\$2,388,678.67	\$2,968,018.68	\$3,028,644.01	\$2,971,383.58	\$4,700,974.89	\$1,944,733.47	\$1,888,448.85	\$1,792,976.12	\$1,918,043.36

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENT OF OPERATIONS
Fiscal Years 1940-41 to 1949-50

FISCAL YEAR ENDED JUNE 30

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Power Sales.....	\$8,915,029.91	\$9,007,253.64	\$8,473,182.15	\$3,858,824.91	\$8,444,738.44	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95
Less P. G. & E. Distribution Commission.....	6,511,451.25	6,579,477.71	6,069,120.63	799,432.23	5,939,609.99					
Standby Charge and Sale of Water to the S. F. Water Dept.....	\$2,403,569.66	\$2,427,775.93	\$2,404,061.52	\$3,059,392.68	\$2,505,128.45	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95
	773,284.00	661,277.00	661,277.00	661,277.00	661,277.00	661,277.00	3,731,908.00	3,333,700.00	3,780,804.29	3,588,504.63
	\$3,176,853.66	\$3,089,052.93	\$3,065,338.52	\$3,720,669.68	\$3,166,405.45	\$3,719,946.80	\$7,050,912.76	\$6,925,972.27	\$7,171,709.95	\$6,910,944.58
Operating Expenses:										
Provision for Depreciation.....	\$1,581,629.64	\$1,574,551.41	\$1,576,429.92	\$1,564,039.70	\$1,647,730.44	\$1,520,856.59	\$1,518,809.10	\$1,514,979.47	\$1,509,904.71	\$1,507,862.87
Other Operating Expenses.....	377,779.30	450,896.84	469,871.22	1,157,272.28	573,028.50	1,448,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66
	\$1,959,408.94	\$2,025,448.25	\$2,046,301.14	\$2,720,311.98	\$2,222,758.94	\$2,978,883.42	\$3,095,009.89	\$3,384,589.16	\$3,271,335.72	\$3,394,406.53
Profit from Operations.....	\$1,217,444.72	\$1,063,804.68	\$1,019,037.38	\$1,000,357.20	\$1,043,646.51	\$1,741,063.38	\$3,955,902.87	\$3,541,383.11	\$3,900,374.23	\$3,516,538.05
Other Income.....	6,829.02	7,654.88	6,395.22	3,192.78	6,060.19	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94
	\$1,224,273.74	\$1,071,459.56	\$1,025,432.60	\$1,003,550.00	\$1,049,706.70	\$1,750,038.86	\$3,974,968.01	\$3,564,216.46	\$3,923,809.91	\$3,545,993.99
Other Expenses:										
Interest on Bonded Debt.....	\$2,848,669.38	\$2,746,390.38	\$2,643,714.38	\$2,512,266.30	\$2,478,759.11	\$2,462,952.22	\$2,233,977.70	\$2,131,660.21	\$2,029,342.71	\$1,927,557.47
Other.....	21,076.91	6,701.77	60,630.79			116,029.64	87,910.45			
	\$2,869,746.29	\$2,752,892.15	\$2,704,345.17	\$2,578,916.09	\$2,486,759.11	\$2,578,981.86	\$2,321,888.15	\$2,131,660.21	\$2,029,342.71	\$1,927,557.47
Net Loss.....	\$1,645,472.55	\$1,681,400.59	\$1,678,912.57	\$1,600,558.89	\$1,435,112.73	\$1,499,952.67	\$1,286.00			
Net Income.....							\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52



CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY
STATEMENT OF OPERATIONS
Fiscal Years 1940-41 to 1949-50

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Revenues.....	\$4,103,523.75	\$4,335,395.90	\$5,617,368.12	\$6,713,700.75	\$15,119,772.51	\$17,444,032.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83
Operating Expenses:										
Depreciation.....	386,028.57	411,234.86	415,961.68	710,280.90	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30
Other Operating Expenses.....	3,499,034.57	3,598,026.17	4,318,024.23	5,068,178.86	12,161,011.97	15,105,124.56	18,483,686.08	18,539,561.76	19,398,286.27	18,844,625.83
	\$3,885,063.14	\$4,009,261.03	\$4,733,985.91	\$5,778,459.76	\$12,987,027.52	\$16,124,018.00	\$19,557,473.66	\$19,627,403.21	\$20,848,597.61	\$20,678,077.13
Profit from Operations.....	218,460.61	326,134.87	883,382.21	943,440.99	2,132,744.99	1,320,914.19	318,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*
Other Income.....	10,962.31	24,171.74	14,748.85	21,446.45	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18
	\$ 229,422.92	\$ 350,306.61	\$ 898,131.06	\$ 964,887.44	\$ 2,142,272.17	\$ 1,326,274.14	\$ 467,089.90*	\$ 1,295,301.99*	\$ 2,243,436.71*	\$ 1,815,592.12*
Other Expenses:										
Interest on Market Street Railway purchase.....					126,904.11	119,008.08	25,721.02	64,725.09		
Interest on Bonded Debt.....	62,083.34	57,083.33	52,083.33	47,083.34	42,083.33	37,083.34	32,083.34	30,727.51	107,194.70	259,419.92
Other.....	5,230.54					70,835.00		202,926.00	137,716.09	
	\$ 67,313.88	\$ 57,083.33	\$ 52,083.33	\$ 47,083.34	\$ 42,083.33	\$ 37,083.34	\$ 32,083.34	\$ 298,379.01	\$ 244,910.88	\$ 259,419.92
Net Income.....	\$ 162,109.04	\$ 293,223.28	\$ 846,047.73	\$ 897,044.10	\$ 1,973,284.73	\$ 1,000,274.00	\$ 84,844.26*	\$ 1,593,681.00	\$ 1,588,347.59*	\$ 2,075,012.04*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT
STATEMENT OF OPERATIONS
Fiscal Years 1940-41 to 1949-50

FISCAL YEAR ENDED JUNE 30

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Revenues:										
Landing Charges.....	\$ 44,122.00	\$ 18,692.50	\$ 16,375.00	\$ 19,057.50	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$ 118,658.26	\$ 130,101.09	\$ 155,233.76
Rentals.....	25,979.04	23,486.46	23,621.36	27,769.77	33,779.55	41,199.02	98,219.64	143,041.93	98,308.75	118,759.03
Other.....	4,268.69	2,730.59	2,782.09	4,057.30	7,445.96	17,668.14	99,430.73	101,127.58	195,573.44	246,869.66
Operating Expenses:										
Depreciation.....	\$ 59,970.37	\$ 57,312.17	\$ 201,205.99	\$ 201,719.74	\$ 209,406.13	\$ 214,777.76	\$ 34,979.48	\$ 31,958.82	\$ 638,043.10	\$ 648,646.19
Other Operating Expenses.....	87,312.52	91,966.20	81,487.48	91,006.06	122,568.14	117,644.22	254,921.49	888,833.69	506,176.63	571,061.36
Loss from Operations.....	\$ 147,282.89	\$ 149,278.37	\$ 282,693.47	\$ 292,725.80	\$ 331,974.57	\$ 27,111.98	\$ 689,900.97	\$ 828,792.51	\$ 1,144,219.73	\$ 1,219,707.55
Loss from Operations.....	\$ 72,913.16	\$ 104,368.82	\$ 239,915.02	\$ 41,841.23	\$ 258,184.06	\$ 2,448.27	\$ 101,873.23	\$ 460,964.74	\$ 720,236.45	\$ 698,845.10
Other Income.....		4,887.08	9,975.39	9,670.22	10,552.81	12,711.07	18,931.83	25,907.75	30,185.17	25,353.19
Interest on Bonded Debt.....	\$ 72,913.16	\$ 99,481.74	\$ 229,939.63	\$ 2,171.01	\$ 247,631.25	\$ 2,071.26	\$ 182,941.71	\$ 35,056.99	\$ 690,051.28	\$ 673,491.91
Net Loss.....	\$ 72,913.16	\$ 124,639.63	\$ 259,328.86	\$ 8,343.05	\$ 268,590.58	\$ 1,011.26	\$ 39,129.11	\$ 64,700.00	\$ 796,441.82	\$ 761,076.44

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES

For the 10 Year Period July 1, 1940 to June 30, 1950

BALANCES JULY 1, 1940

BALANCES JULY 1, 1940				BALANCES JUNE 30, 1950			
Buildings, Structures and Equipment	Land	Total		Buildings, Structures and Equipment	Land	Total	
\$ 2,532,941.55	\$ 4,094,421.00	\$ 6,627,362.55	General Government, incl. City Hall	\$ 3,140,575.16	\$ 8,863,317.18	\$ 11,993,892.34	
\$ 3,021,532.43	\$ 8,722,888.18	\$ 11,744,420.61	Public Safety:	\$ 4,266,303.25	\$ 8,722,888.18	\$ 12,989,191.43	
\$ 653,570.65	\$ 1,967,931.94	\$ 2,621,502.59	Fire Department	\$ 1,337,351.23	\$ 759,394.30	\$ 2,096,745.53	
\$ 104,420.67	\$ 722,558.40	\$ 826,979.07	Police Department	\$ 2,028,653.58	\$ 3,380,896.89	\$ 5,409,550.47	
\$ 36.50	\$ 105,492.82	\$ 141,989.32	Department of Electricity	\$ 130,366.43	\$ 870,979.07	\$ 1,001,345.50	
\$ 168,735.39	\$ 105,492.82	\$ 274,228.21	Highways, Streets, Tunnels, Bridges, etc.	\$ 155,455.84	\$ 289,298.52	\$ 444,754.36	
\$ 85,765.80	\$ 21,230,187.42	\$ 21,315,953.22	Asphalt Plant	\$ 242,370.68	\$ 84,643.40	\$ 327,014.08	
\$ 296,243.11	\$ 21,230,187.42	\$ 21,526,430.53	Sanitation:	\$ 242,370.68	\$ 84,643.40	\$ 327,014.08	
\$ 85,765.80	\$ 21,230,187.42	\$ 21,315,953.22	Sewers and Sewage Disposal Plants	\$ 512,393.91	\$ 130,142.60	\$ 642,536.51	
\$ 70,886.55	\$ 466,327.26	\$ 537,213.81	Garbage Incinerator	\$ 65,142.60	\$ 130,142.60	\$ 195,285.20	
\$ 75,604.06	\$ 14,560.00	\$ 90,164.06	Health Conservation:	\$ 566,655.81	\$ 29,442.00	\$ 596,097.81	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Hastler Health Home	\$ 936,834.87	\$ 150,000.00	\$ 1,086,834.87	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Civic Center Health Building	\$ 236,903.89	\$ 14,560.00	\$ 251,463.89	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Excelsior Health Building	\$ 126,776.82	\$ 83,479.36	\$ 210,256.18	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Others	\$ 126,776.82	\$ 83,479.36	\$ 210,256.18	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	San Francisco Hospital	\$ 996,379.87	\$ 5,910,054.13	\$ 6,906,434.00	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Emergency Hospitals	\$ 187,004.15	\$ 483,701.41	\$ 670,705.56	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Charities:	\$ 690,116.46	\$ 3,755,574.47	\$ 4,445,690.93	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Laguna Honda Home	\$ 40,538.91	\$ 3,755,574.47	\$ 3,796,113.38	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	S. F. Welfare Department	\$ 25,904.84	\$ 46,453.32	\$ 72,358.16	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Corrections:	\$ 112,421.68	\$ 10,310.00	\$ 122,731.68	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	County Jail	\$ 800,255.01	\$ 857,067.38	\$ 1,657,322.39	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Juvenile Detention Home—Old	\$ 209,567.66	\$ 207,272.93	\$ 416,840.59	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Juvenile Detention Home—New	\$ 50,400.00	\$ 10,310.00	\$ 60,710.00	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Log Cabin Ranch	\$ 25,297.95	\$ 174,079.41	\$ 199,377.36	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Juvenile Girls Dormitory	\$ 998.00	\$ 797,981.48	\$ 798,979.48	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Schools	\$ 40,632.92	\$ 32,250,447.76	\$ 32,291,080.68	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Libraries	\$ 1,911,506.95	\$ 3,438,135.19	\$ 5,349,642.14	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Recreation:	\$ 2,778,178.77	\$ 5,217,538.80	\$ 8,000,717.57	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Playgrounds and Swimming Pools	\$ 310,598.52	\$ 691,502.64	\$ 1,002,101.16	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Museums, Art Galleries, etc.	\$ 1,154,913.14	\$ 478,944.09	\$ 1,633,857.23	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	War Memorial and Opera House	\$ 4,789,443.64	\$ 5,405,278.39	\$ 10,194,721.03	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Parks and Squares	\$ 153,691.75	\$ 25,356,929.93	\$ 25,510,621.68	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Auditorium	\$ 1,528,110.11	\$ 2,282,976.78	\$ 3,811,086.89	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Kezar Stadium	\$ 818,638.69	\$ 782,753.05	\$ 1,601,391.74	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Others:	\$ 153,561.04	\$ 284,283.34	\$ 437,844.38	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Central Warehouse and Corporation Yard	\$ 4,000.00	\$ 163,843.17	\$ 167,843.17	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Retirement System	\$ 84,225.42	\$ 221,152.31	\$ 305,377.73	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49	Miscellaneous	\$ 118,826.58	\$ 434,433.02	\$ 553,259.60	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49		\$ 21,309,426.27	\$ 211,389,623.75	\$ 232,699,050.02	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49		\$ 193,383,396.04	\$ 1,507,743,105.09	\$ 1,701,126,501.13	
\$ 131,933.69	\$ 14,268.80	\$ 146,202.49		\$ 269,648,308.42	\$ 1,507,743,105.09	\$ 1,777,391,413.51	

* Denotes decrease.

CITY AND COUNTY OF SAN FRANCISCO ADDITIONS TO PROPERTIES—BY SOURCE OF FUNDS For the 10 Year Period July 1, 1940 to June 30, 1950

Equipment	Buildings, Structures and Improvements	Land	Total
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\$3,114,143.54	\$3,054,732.72	\$244,687.34	\$ 6,413,563.60
220,718.19	802,163.25	1,030,838.44	2,053,719.88
80,216.10	153,352.79	293,298.18	526,867.07
57,087.08	32,581.73	16,666.88	106,335.69
154,996.63	2,011,804.29	221,799.39	2,388,600.31
85,466.03	2,392,690.11	1,883,214.38	4,275,904.49
20,563.93	41,553.71		121,289.84
3,763.29	76.80		62,117.64
1,857,558.17	1,909,951.89	433,210.21	4,791,306.17
	455,827.55	489,037.76	889,037.76
\$5,594,512.96	\$10,890,558.65	\$5,147,510.93	\$21,632,582.54

Source of Funds:

General Fund.....	\$ 6,413,563.60
Park.....	2,053,719.88
Recreation.....	526,867.07
Library.....	106,335.69
Special Road Improvement.....	2,388,600.31
Special Gas Tax Street Improvement.....	4,275,904.49
de Young Memorial Museum.....	121,289.84
California Palace Legion of Honor.....	62,117.64
War Memorial.....	3,840.09
San Francisco Unified School District.....	4,791,306.17
Special Accumulative Building Fund—Schools.....	889,037.76

Capital Funds:

Real Property, General City.....	\$ 688,551.66
Real Property, S. F. U. S. D.....	135,740.07
1927 Boulevards Bond Fund.....	91,469.85
1927 Bernal Cut Bond Fund.....	26,826.09
1929 Sewers Bond Fund.....	2,831.99
1929 Hospitals Bond Fund.....	15,877.17
1931 Parks and Squares Bond Fund.....	76,664.04
1933 Sewers Bond Fund.....	2,159.58
1933 High Pressure Bond Fund.....	207.65
1938 Schools Bond Fund.....	5,573,927.43
1938 Hospitals Bond Fund.....	2,438,483.36
1942 Fire Protection Bond Fund.....	780,363.73
1944 Sewers Bond Fund.....	13,241,851.82
1944-48 Juvenile Home and Court Bond Fund.....	1,654,475.35
1947 Street Improvement Bond Fund.....	4,314,093.08
1947 Recreation Bond Fund.....	1,976,544.84
1948 Schools Bond Fund.....	1,199,353.26
1948 Sewage Treatment Bond Fund.....	2,255,498.12
Miscellaneous.....	47,597.80

Trust Funds:

State Highway Trust.....	2,462,809.32
San Francisco Bay Exposition Co.....	243,480.26
Striving Bequest.....	12,994.73
Retirement System.....	15,525.00
Sigmund Stern—Donation.....	20,331.76
Metropolitan Life Insurance Co.—Donation.....	15,000.00
Huddard Bequest.....	20,000.00
Other Trust Funds.....	50,000.00
Total Additions.....	\$ 2,724,616.07

*Denotes decrease.

\$33,901,486.06	\$2,338,504.58	\$30,392,972.99	\$1,167,767.07
2,462,809.32	1,366,515.00	1,096,284.32	243,480.26
12,994.73		12,994.73	
15,525.00		4,000.00	
20,331.76			
15,000.00			
20,000.00			
50,000.00			
100.00			
\$ 2,724,616.07	\$ 1,356,759.31	\$ 1,167,767.07	\$ 6,767,767.07
\$58,258,684.67	\$8,853,071.51	\$42,640,290.95	\$6,767,767.07

CITY AND COUNTY OF SAN FRANCISCO ASSESSMENT ROLLS Fiscal Years 1940-41 to 1950-51

Fiscal Year	Roll	Assessed By	Real Estate	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Value Subject to City & Co. Rate	Rate	Solvent Credits Taxed @ 10c per \$100	Total Roll
1940-41	Unsecured—City and County Assessor		\$312,629,627	\$348,129,782	\$70,243,585	\$70,243,585	\$3,987	3.987	\$114,650,373	\$184,893,958
	Secured—City and County Assessor		16,032,710	40,491,790	32,913,470			4.295	7,481,620	668,386,867
	Secured—State Board of Equalization		\$328,662,337	\$388,621,572	\$110,274,412	\$820,586,002		4.295	34,472,660	123,910,630
1941-42	Unsecured—City and County Assessor		306,293,403	352,478,552	6,836,182	78,646,149	4,295	4.295	142,993,769	221,639,918
	Secured—City and County Assessor		15,601,250	40,883,490	32,908,920	658,430,511	4,396	4.396	7,095,451	665,525,962
	Secured—State Board of Equalization		\$321,894,653	\$393,362,042	\$118,391,251	\$826,470,320		4.396	126,798,290	\$1,013,964,170
1942-43	Unsecured—City and County Assessor		301,953,723	358,549,932	82,047,025	82,047,025	4,396	4.396	181,984,678	264,031,703
	Secured—City and County Assessor		15,350,210	40,765,910	32,143,990	661,106,262	4.48	4.48	12,683,175	673,789,437
	Secured—State Board of Equalization		\$317,303,933	\$399,315,842	\$122,265,876	\$831,413,597		4.48	154,085,650	\$1,091,906,790
1943-44	Unsecured—City and County Assessor		297,567,134	361,878,165	82,331,222	82,331,222	4.48	4.48	241,963,343	324,292,565
	Secured—City and County Assessor		14,843,520	41,293,890	32,631,960	88,769,370	4.36	4.36	14,162,250	676,058,862
	Secured—State Board of Equalization		\$312,410,654	\$403,172,055	\$124,865,067	\$832,997,134		4.36	87,100,960	175,870,330
1944-45	Unsecured—City and County Assessor		296,176,585	366,358,175	92,459,287	92,459,287	4.36	4.36	256,783,063	348,842,350
	Secured—City and County Assessor		14,344,980	41,092,340	32,916,780	88,554,100	4.69	4.69	12,510,908	675,168,939
	Secured—State Board of Equalization		\$310,521,565	\$407,450,515	\$135,105,983	\$84,441,418		4.69	168,369,560	\$1,192,380,849
1945-46	Unsecured—City and County Assessor		295,953,215	371,683,405	98,182,638	98,182,638	4.69	4.69	106,612,656	404,795,294
	Secured—City and County Assessor		11,365,640	40,280,850	32,917,590	664,876,158	4.83	4.83	10,661,189	675,517,437
	Secured—State Board of Equalization		\$307,318,855	\$411,964,255	\$139,024,400	\$84,622,876		4.83	136,362,230	\$1,216,674,871
1946-47	Unsecured—City and County Assessor		297,150,419	379,741,290	110,180,654	110,180,654	4.83	4.83	291,906,084	402,143,737
	Secured—City and County Assessor		11,291,570	41,736,690	32,055,820	667,411,407	5.55	5.55	9,112,900	674,554,307
	Secured—State Board of Equalization		\$308,441,989	\$421,477,980	\$147,754,010	\$86,070,614		5.55	147,089,290	\$1,229,787,334
1947-48	Unsecured—City and County Assessor		304,975,992	403,718,630	150,379,489	145,914,741	5.55	5.55	27,790,141	474,905,887
	Secured—City and County Assessor		11,441,450	43,692,360	8,962,940	678,606,691	5.62	5.62	7,769,726	686,367,217
	Secured—State Board of Equalization		\$316,417,442	\$447,410,990	\$181,153,890	\$91,618,182		5.62	121,129,930	\$1,281,812,029
1948-49	Unsecured—City and County Assessor		333,507,884	426,062,240	170,254,123	174,084,573	5.62	5.62	4,791,003	562,876,581
	Secured—City and County Assessor		11,566,170	49,385,230	9,695,010	96,646,410	6.09	6.09	129,855,730	737,450,815
	Secured—State Board of Equalization		\$345,074,054	\$475,447,470	\$213,002,023	\$1,000,084,207		6.09	146,933,540	\$1,430,183,126
1949-50	Unsecured—City and County Assessor		338,327,522	447,097,465	187,081,075	184,712,144	6.09	6.09	1,430,022,218	598,014,362
	Secured—City and County Assessor		11,633,500	60,888,540	4,147,520	753,648,062	5.66	5.66	10,461,320	764,111,391
	Secured—State Board of Equalization		\$349,961,572	\$507,786,005	\$235,225,381	\$1,050,830,316		5.66	146,933,540	\$1,509,059,293
1950-51	Unsecured—City and County Assessor		338,486,080	468,437,890	17,987,355	172,527,080	5.66	5.66	140,918,547	619,486,025
	Secured—City and County Assessor		11,594,320	64,845,380	38,418,540	774,109,157	6.29	6.29	1,069,127	781,698,378
	Secured—State Board of Equalization		\$350,080,400	\$533,283,270	\$221,779,507	\$1,000,144,577		6.29	156,663,940	\$1,557,848,343

CITY AND COUNTY OF SAN FRANCISCO
DETAIL OF TAX RATES
Fiscal Years 1941-42 to 1950-51

	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51
General Fund—Charter Limit \$1.65.....	1.305106	1.438962	1.540239	1.401275	1.324581	1.606739	1.228896	1.126318	1.261335	1.288331
General Fund—Other Necessary Expenditures Not Limited.....	.756389	.702603	.685519	.786845	.788891	.886788	1.332376	1.415456	1.320391	1.481594
Unified School District.....	.791007	.797869	.733157	.984317	1.132731	1.223865	1.366733	1.645139	1.299661	1.562837
Recreation.....	.092023	.074449	.084193	.114708	.127712	.148002	.128131	.139433	.126423	.....
Park.....	.163224	.162452	.158809	.177261	.177718	.231787	.194877	.272223	.203699	.....
Recreation and Park.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Library.....	.051480	.049459	.056209	.059224	.077863	.092736	.079649	.085277	.079214	.333286
Employees' Retirement.....	.232757	.236446	.265255	.280470	.367666	.415228	.607937	.572093	.761183	.728602
Bond Interest and Redemption.....	.532044	.639974	.605890	.550637	.534730	.562023	.427027	.345373	.232312	.257541
de Young Museum.....	.018457	.012941	.016515	.019073	.018125	.028140	.024749	.046452	.019540	.041135
California Palace of the Legion of Honor.....	.009081	.009885	.010502	.012274	.012867	.023237	.015741	.021058	.015458	.015651
War Memorial.....	.009903	.013079	.013727	.013011	.010328	.030623	.014676	.019291	.017742	.021101
Publicity and Advertising.....	.036029	.036083	.022683	.023841	.023595	.036508	.031683	.027403	.026161	.026098
Tax Judgments.....	.000523	.011639	.003266	.011044	.....	.....	.....	.....	.....	.....
Special Tax Levied Pursuant to Sec. 405b, Pol. Code.....	.011635	.....	.....	.....	.....	.....	.....	.....	.....	.....
Special Election Fund.....	.005007	.005006	.004846	.004730	.000047	.....	.006512	.....	.....	.000100
Interest on Tax Anticipation Notes.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lighting Public Streets and Buildings.....	.112524	.099278	.098656	.115437	.129648	.150632	.130660	.129071	.093146	.103213
Airport.....	.226261	.144137	.044040	.041186	.050770	.111692	.030353	.030325	.203735	.190286
Hetch Hetchy Water Supply.....	.042550	.045738	.044040	.041186	.050770	.111692	.030353	.030325	.203735	.190286
Municipal Railway.....	.....	.....	.....	.....	.052728	.....	.....	.215088	.....	.119469
P. U. C. Purchase of California St. Cable R. R. Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.016870
Total Levy.....	4.396	4.48	4.36	4.69	4.83	5.55	5.62	6.09	5.66	6.29



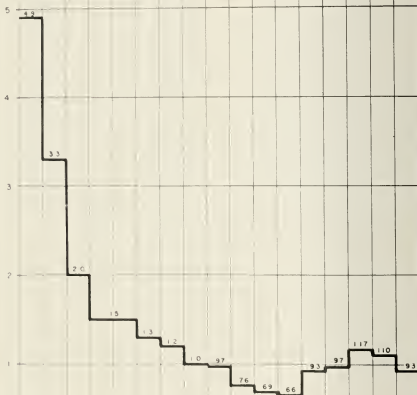
CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1931-32 to 1949-50

Fiscal Year	Amount of Levy	Uncollected at June 30		Uncollected at June 30, 1950	
		Amount	%	Amount	%
1931-32.....	\$32,714,462.72	\$ 718,830	2.20	\$ 47,021*	14
1932-33.....	31,752,725.86	1,706,581	5.37	230,601	.73
1933-34.....	26,583,269.62	1,316,809	4.95	162,178	.61
1934-35.....	28,808,182.68	958,096	3.33	27,575	.10
1935-36.....	30,634,662.45	612,784	2.00	25,188	.08
1936-37.....	30,986,643.33	449,704	1.45	21,350	.07
1937-38.....	31,994,074.61	483,081	1.50	31,062	.10
1938-39.....	33,337,811.68	442,132	1.32	19,920	.06
1939-40.....	32,575,922.01	390,407	1.19	28,228	.09
1940-41.....	35,162,784.71	367,339	1.04	43,481	.12
1941-42.....	36,469,224.70	354,994	.97	68,216	.19
1942-43.....	37,469,083.07	288,158	.76	62,883	.17
1943-44.....	36,797,770.96	254,508	.69	50,993	.14
1944-45.....	39,647,406.19	262,652	.66	38,493	.10
1945-46.....	41,184,389.39	380,975	.93	57,912	.14
1946-47.....	47,374,327.51	457,779	.97	105,701	.22
1947-48.....	51,718,353.83	602,680	1.17	289,490	.56
1948-49.....	60,779,269.51	669,631	1.10	349,135	.57
1949-50.....	60,858,563.25	567,617	.93	567,617	.93

*Includes delinquent taxes for 1931-32 and those of prior years.

CITY AND COUNTY OF SAN FRANCISCO
PERCENTAGES OF TAX DELINQUENCY
 FOR FISCAL YEARS ENDING

% 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1950-51

	Valuation	Tax Yield	Rate per \$100
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements.....\$	806,923,970		
Tangible Personal Property.....	10,373,612		
Less Veterans' and Welfare Exemptions.....	42,988,325		
	774,309,257	\$48,704,217.18	\$6.29
Solvent Credits.....	7,389,121	7,388.31	.10
Total	781,698,378	48,711,605.49	
Unsecured Personal Property (Collected):			
Tangible Personal Property.....	101,956,472		
Less Veterans' and Welfare Exemptions.....	2,110,960		
	99,845,512	5,651,300.09	5.66
Solvent Credits.....	337,129,128	337,136.31	.10
Total	436,974,640	5,998,436.40	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property.....	73,030,883		
Less Veterans' and Welfare Exemptions.....	349,315		
	72,681,568	4,113,786.97	5.66
Solvent Credits.....	109,829,817	109,831.86	.10
Total	182,511,385	4,223,618.83	
Total Assessed by City and County Assessor	1,401,184,403	58,923,660.72	
Taxes on property assessed by State Board of Equalization:			
Real Estate and Improvements.....	76,439,700	7,224,583.62	6.29
Tangible Personal Property.....	38,418,540		
Solvent Credits.....	41,805,700		
Total Assessed by State Board of Equalization.....	156,663,940	7,266,389.32	
Total of above Assessments.....	\$1,557,848,343		
Total Tax Yield 1950-51.....		66,190,050.04	
Reassessments.....		276.48	
TOTAL TAX YIELD		\$66,190,326.52	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AT JUNE 30, 1950

Maximum Limit:

12% of 1950-51 Assessment Roll (\$1,557,848,343) \$186,941,801

Bonded Debt Not Matured June 30, 1950:

Total	\$169,275,000	
Exempt from 12% Limit (a)	82,846,000	86,429,000

Limit of Future Bond Sales (Subject to 12% Limit) \$100,512,801

Unissued (Unsold) Bonds, June 30, 1950:

	Total	Exempt from 12% Limit	Subject to 12% Limit
1945 Airport	\$ 1,110,000		\$ 1,110,000
1947 Municipal Ry. Rehabilitation....	3,050,000		3,050,000
(b) 1947 Market St. Ry. Refinancing.....	250,000		250,000
1947 Street Improvement	12,250,000		12,250,000
1947 Off-Street Parking	5,000,000		5,000,000
1947 Hetch Hetchy Water	5,800,000	5,800,000	
1947 Recreation	8,370,000		8,370,000
1948 Sewage treatment	4,450,000		4,450,000
1948 Schools	41,890,000		41,890,000
1949 Airport	10,000,000		10,000,000
1949 Cherry Valley Dam.....	4,000,000	4,000,000	
	\$96,170,000	\$9,800,000	\$86,370,000

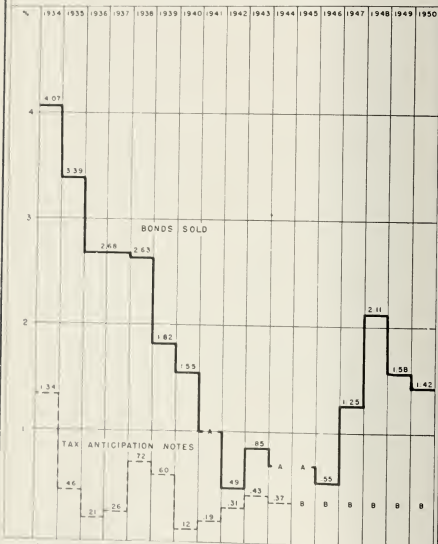
- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

- (b) To be cancelled upon expiration of statutory time limit. (Three years from date of election.)

CITY AND COUNTY OF SAN FRANCISCO
AVERAGE NET INTEREST COST
 ON BONDS AND TAX ANTICIPATION NOTES
 SOLD DURING FISCAL YEARS ENDING



A - No Bonds Sold
 B - No Tax Anticipation Notes Sold

H D ROSS, CONTROLLER

AS AT JUNE 30, 1950

GENERAL CITY, INCLUDING S. F. U. S. D.				PUBLIC SERVICE ENTERPRISES			
Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1950-51	\$ 18,651,373.75	\$ 6,442,676.25	\$ 5,098,000.00	\$ 1,344,676.25	\$ 12,208,697.50	\$ 8,510,000.00	\$ 3,698,997.50
1951-52	17,063,838.75	6,499,233.75	5,322,000.00	1,177,233.75	10,564,605.00	7,114,000.00	3,450,605.00
1952-53	16,008,660.00	5,400,037.50	4,357,000.00	1,043,037.50	10,468,622.50	7,267,000.00	3,204,622.50
1953-54	15,597,886.25	5,230,457.50	4,357,000.00	873,457.50	10,367,428.75	7,407,000.00	2,960,428.75
1954-55	15,131,158.75	5,028,067.50	4,258,000.00	770,067.50	10,103,091.25	7,358,000.00	2,745,091.25
1955-56	14,790,383.75	4,736,323.50	4,057,000.00	679,323.50	10,054,051.25	7,507,000.00	2,547,051.25
1956-57	13,874,296.25	4,523,406.25	3,926,000.00	597,406.25	9,930,890.00	7,007,000.00	2,923,890.00
1957-58	12,729,105.00	4,442,343.75	4,326,000.00	516,343.75	7,886,761.25	5,731,000.00	2,155,761.25
1958-59	12,278,535.00	4,196,000.00	4,196,000.00	429,341.25	7,354,193.75	5,751,000.00	1,972,193.75
1959-60	11,510,881.25	3,976,263.75	3,630,000.00	346,263.75	7,574,587.50	5,751,000.00	1,783,587.50
1960-61	11,142,808.75	3,797,526.25	3,530,000.00	267,526.25	7,345,282.50	5,751,000.00	1,594,282.50
1961-62	9,684,295.00	2,527,457.50	2,330,000.00	197,457.50	7,186,837.50	5,752,000.00	1,404,837.50
1962-63	9,439,847.50	2,474,625.00	2,329,000.00	145,625.00	6,965,222.50	5,751,000.00	1,214,222.50
1963-64	8,214,737.50	1,874,160.00	1,781,000.00	93,160.00	6,341,577.50	5,318,000.00	1,022,577.50
1964-65	6,977,495.00	1,717,620.00	1,716,000.00	5,260.00	5,205,875.00	4,358,000.00	847,875.00
1965-66	3,470,200.00	330,000.00	300,000.00	30,000.00	3,140,200.00	2,425,000.00	715,200.00
1966-67	3,351,662.50	315,000.00	300,000.00	15,000.00	3,046,662.50	2,425,000.00	611,662.50
1967-68	2,938,305.00	2,938,305.00	---	---	2,938,305.00	2,425,000.00	508,305.00
1968-69	2,454,947.50	---	---	---	2,454,947.50	2,050,000.00	404,947.50
1969-70	2,110,965.00	---	---	---	2,110,965.00	1,800,000.00	310,965.00
1970-71	1,929,482.50	---	---	---	1,929,482.50	1,700,000.00	229,482.50
1971-72	775,500.00	---	---	---	775,500.00	600,000.00	175,500.00
1972-73	748,500.00	---	---	---	748,500.00	600,000.00	148,500.00
1973-74	721,500.00	---	---	---	721,500.00	600,000.00	121,500.00
1974-75	694,500.00	---	---	---	694,500.00	600,000.00	94,500.00
1975-76	667,500.00	---	---	---	667,500.00	600,000.00	67,500.00
1976-77	640,500.00	---	---	---	640,500.00	600,000.00	40,500.00
1977-78	613,500.00	---	---	---	613,500.00	600,000.00	13,500.00
	\$214,207,155.00	\$64,464,548.75	\$55,920,000.00	\$8,544,548.75	\$149,772,606.25	\$113,355,000.00	\$36,387,606.25

Unsold bonds at June 30, 1950 in the amount of \$96,170,000 are not included.

Unsold bonds at June 30, 1950 in the amount of \$96,170,000 are not included.

Office of the Controller



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1950

McLaren, Goode, West & Co.

Certified Public Accountants

444 CALIFORNIA STREET, SAN FRANCISCO 4

November 1, 1950

The Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

Dear Sirs:

Pursuant to your resolution No. 10053, approved on July 6, 1950, we have made an examination of the books, accounts, records and transactions of the Controller of the City and County of San Francisco for the year ended June 30, 1950, and submit herewith our report, which consists of the following exhibits and schedules with comments thereon:

Exhibit:

A—Balance sheet — June 30, 1950.

B—Comparative statement of revenues, expenses and current surplus — General City and County, for the years ended June 30, 1950 and 1949.

Schedule:

1. Comparative statement of departmental revenues — General City and County, for the years ended June 30, 1950 and 1949.

2. Comparative statement of departmental expenses — General City and County, for the years ended June 30, 1950 and 1949.

C—Fixed assets — General City and County — June 30, 1950.

D—Additions to fixed assets — General City and County — by source of funds — for the year ended June 30, 1950.

E—Summary balance sheet — Public Service Enterprises — June 30, 1950.

F—Summary of revenue, expense and surplus — Public Service Enterprises, for the year ended June 30, 1950.

G—Bonds authorized but unissued — June 30, 1950.

H—Bonded indebtedness — June 30, 1950.

1 Fund balance sheets — June 30, 1950.

In our opinion, subject to the following comments and limitations on the scope of examination, the accompanying balance sheets and related statements of revenue, expense and surplus present fairly the position of the City and County of San Francisco at June 30, 1950, and the result of its operations for the year then ended, in conformity with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,

McLAREN, GOODE, WEST & CO.

SCOPE OF EXAMINATION

The accounts of the Municipal Railway, San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, School Department (San Francisco Unified School District) and the San Francisco City and County Employees' Retirement System were examined by other certified public accountants. Cash, securities and accounts of the Treasurer's office, as at June 30, 1950, were examined by the General Audit Division of the Controller's office. The accounts of the San Francisco Airport and of the Public Utilities Commission were under examination by the Utility Audit Division of the Controller's office. As reports of these examinations were not completed in time for the inclusion of the audited statements in this report, a summary of the unaudited statements, as prepared by the respective departments, has been included herein.

Section 66 of the Charter provides for audit by the Controller of the accounts of all boards, officers and employees of the City and County who are charged in any manner with the custody, collection or disbursement of public funds. In accordance therewith audit staffs are maintained by both the General Audit and Utility Audit Divisions which make periodic examinations and investigations of various phases of the financial affairs of the City and County. In our examination, reliance has been placed on various records and figures based on internal audit procedures.

The amounts included in this report for the various Public Service Enterprises and the Treasurer's office are in agreement with those reported by the respective auditors or departments. The accounts for the School Department which are included in the accompanying statements under "General City and County" differ somewhat, due primarily to a difference in method of recording certain transactions.

The examination of the Employees' Retirement System as of June 30, 1950, has not been completed.

This examination has not attempted to substantiate the accuracy of delinquent taxes by communication with the respective property owners.

REVENUES, EXPENSES AND CURRENT SURPLUS

Current surplus of the General City and County increased \$1,738,157 during the fiscal year 1949-50. Details of revenue, expense and current surplus are shown in Exhibit B and supporting Schedules 1 and 2, of which the following is a summary:

	Year Ended June 30,		Increase Decrease*
	1950	1949	
Revenues	\$102,702,638	\$98,049,060	\$4,653,578
Expenses	91,970,473	86,083,513	5,886,960
Excess of revenues over expenses.....	\$ 10,732,165	\$11,965,547	\$1,233,382*
Surplus charges — net.....	8,994,008	10,418,403	1,424,395*
Increase in current surplus.....	\$ 1,738,157	\$ 1,547,144	\$ 191,013
Current surplus, first of fiscal year.....	20,033,032	18,485,888	1,547,144
Current surplus, end of fiscal year.....	\$ 21,771,189	\$20,033,032	\$1,738,157

The foregoing increase of \$4,653,578 in revenues is summarized as follows:

State and Federal subventions.....	\$3,533,222
General city and county departmental revenue.....	359,953
Taxes	340,529
Fines, forfeits and penalties.....	243,983
Other items	175,891
Total	\$4,653,578

Increased revenue from State and Federal subventions is further analyzed as follows:

	Year Ended June 30,		Increase
	1950	1949	
Aid to the needy—			
children, blind and aged.....	\$ 6,545,166	\$ 4,796,657	\$1,748,509
Motor vehicle registration fees, fuel and			
license taxes	8,642,019	7,676,971	965,048
Alcoholic beverage licenses	1,367,041	1,264,850	102,191
State aid for postwar plans			
and construction.....	363,315	35,354	327,961
Maintenance of minors.....	411,910	266,283	145,627
Schools	9,007,921	8,901,575	106,346
Other items — net	1,111,721	974,181	137,540
Total	\$27,449,093	\$23,915,871	\$3,533,222

During the period January 1, 1949 to February 28, 1950, the City and County of San Francisco acted as agent for the State of California in the distribution of aid to the needy. During this period, receipts from the State were recorded as receipts of trust funds rather than as revenue, as was done both prior and subsequent to the foregoing dates. Had the current method been followed throughout the past two years the current year's increase in revenue would have been \$4,398,674 rather than the \$1,748,509 shown in the foregoing comparison.

The \$965,048 increase in motor vehicle registration fees, etc., reflects more motor vehicles in use and higher average fees.

General City and County departmental revenues increased \$359,953 accounted for as follows:

Parking meters	\$170,128
Tuition of students from other counties.....	100,435
Health conservation fees and permits	52,613
Other items — net	36,777
Total	\$359,953

Larger revenue from parking meters results primarily from new installations and to a minor extent from meters becoming fully paid for.

Tuition of students is recorded on a basis of cash receipts. These receipts were \$100,435 greater during the current year.

Health conservation fees and permits increased revenue resulted primarily from a new rate ordinance which became effective in January, 1950.

Secured taxes, penalties and costs are credited to revenue on an accrual basis. Unsecured taxes, penalties and costs are credited to revenue on the basis of collections. Comparative information about assessments, rates and resulting revenues is shown below:

	Year Ended June 30,		Increase Decrease*
	1950	1949	
UNADJUSTED ASSESSED VALUATIONS:			
Tangible property — secured	\$ 866,118,172	\$ 825,999,634	\$40,118,538
Tangible property — unsecured	184,712,144	174,035,289	10,676,855
Solvent credits —			
secured and unsecured	458,228,977	430,099,739	28,129,238
Assessed valuations — net	\$1,509,059,293	\$1,430,134,662	\$78,924,631
Plus: Veterans' and welfare exemptions	42,142,642	39,440,340	2,702,302
Gross assessed valuations	\$1,551,201,935	\$1,469,575,002	\$81,626,933

TAX RATES PER \$100 OF
ASSESSED VALUATION:

Tangible property — secured....\$	\$5.66	\$6.09	\$.43*
Tangible property — unsecured	6.09	5.62	.47
Solvent credits — secured and unsecured.....	<u>.10</u>	<u>.10</u>	<u>....</u>

	Year Ended June 30,		Increase Decrease*
	1950	1949	

REVENUE FROM PROPERTY TAXES,
PENALTIES, INTEREST
AND COSTS:

Tangible property — secured.....	\$49,022,543	\$50,303,523	\$1,280,980*
Tangible property — unsecured.....	11,248,663	9,780,836	1,467,827
Solvent credits — secured and unsecured.....	<u>458,237</u>	<u>430,107</u>	<u>28,130</u>
Unadjusted tax levy	\$60,729,443	\$60,514,466	\$ 214,977
Supplemental rolls	173,894	288,022	114,128*
Cancellations, adjustments, refunds and reassessments	<u>234,425**</u>	<u>346,416**</u>	<u>111,991*</u>
Adjustment of reserve for unsecured taxes, penalties and costs.....	121,189**	266,989**	145,800*
Penalties, interest and costs.....	<u>151,614</u>	<u>169,725</u>	<u>18,111*</u>
Total — Exhibit B	<u>\$60,699,337</u>	<u>\$60,358,808</u>	<u>\$ 340,529</u>

**Denotes reduction.

Assessed valuations of tangible property increased \$50,795,393 as recorded on the original tax rolls. Records are not maintained in a manner to allow ready determination of the portion applicable to new construction or to assessment adjustments of previously assessed property.

Higher revenue of \$243,983 from fines, forfeits and penalties resulted primarily from increased collections from traffic fines.

Increases of \$175,891, net, in other items include \$112,851 in higher interest earnings on general funds and \$97,929 increased collections of "in lieu" taxes from the Housing Authority as well as other minor items.

Expenses for the current year exceeded by \$5,886,960 the corresponding expenses of the previous year as follows:

General city and county departments	\$5,847,493	
Pension costs	2,230,904	
Bond interest	<u>220,908</u>	
		\$8,299,305
Less: Decreased contributions to Public Service Enterprises	\$2,388,550	
Other items — net	<u>23,795</u>	<u>2,412,345</u>
Increase in expense — net		<u>\$5,886,960</u>

The foregoing increase of \$5,847,493 in departmental expense is analyzed by departments in the following summary:

Charities	\$2,286,649
Schools	1,796,845
Public safety	835,543
Hospitals	283,235
General government	242,404
Health conservation	195,969
Highway	123,897
Others	82,951
Total increase	<u>\$5,847,493</u>

Increased charity costs of \$2,286,649 are partially offset by increased revenues of \$1,748,509. The net increase of \$538,140 being caused primarily by increased costs of "aid to minors".

Higher instruction expense costs of \$1,288,375 and higher maintenance of plant expense of \$446,751 are the principal reasons for the increased school costs of \$1,796,845.

The public safety expense increase of \$835,543 is due in large part to increased personnel resulting from a charter amendment reducing the basic work week of policemen from forty-four to forty hours per week.

Included in higher general government expense of \$242,404 is an increase of \$227,631 in the de Young Museum expense caused almost wholly by building renovation costs.

Pension costs increased \$2,230,904 reflecting larger pay rolls as well as more liberal pension allowances.

Additional bonds outstanding caused an increase of \$220,908 in interest costs.

Elimination of any contribution to the Municipal Railway from tax levies in the current year was the principal reason for the decrease of \$2,388,550 in contribution expense.

Net charges to current surplus totaled \$8,994,008, a decrease of \$1,424,395 from the previous year. These charges consisted of:

Capital additions from current funds.....	\$5,034,158	
Bond redemptions by current funds.....	4,639,000	
		<u>\$9,673,158</u>
Less:		
Transfers from capital to current funds for purchase of capital assets	\$537,093	
Sundry	142,057	<u>679,150</u>
Charges to current surplus — net.....	<u>\$8,994,008</u>	

BALANCE SHEET COMMENTS

The following comments, unless otherwise specified, refer to amounts shown on the balance sheet, Exhibit A:

Cash — \$70,864,339:

Cash balances at June 30, 1950, are summarized as follows:

	General City and County	Public Service Enterprises	Total
On deposit with the Treasurer.....	\$76,104,229	\$26,767,717	\$102,871,946
Less:			
Outstanding warrants, pay roll deductions, matured bonds and coupons	6,204,959	1,903,868	8,108,827
	<u>\$69,899,270</u>	<u>\$24,863,849</u>	<u>\$ 94,763,119</u>
Cash in transit	920,669	.....	920,669
Revolving funds	44,400	52,650	97,050
Total	<u>\$70,864,339</u>	<u>\$24,916,499</u>	<u>\$ 95,780,838</u>

The accounts of the Treasurer's office were examined as at June 30, 1950, by the General Audit Division of the Controller's office, and a copy of their audit report dated September 21, 1950, is included in the Annual Report of the Controller. This report and certain supporting papers were reviewed to establish that the balances reflected therein were in agreement with the amounts recorded by the Controller as being on deposit with the Treasurer.

Cash in transit represents June pay roll deductions which were credited to cash on the Controller's records in June but deposited with the Treasurer subsequent thereto.

Revolving funds of the General City and County were confirmed by the custodians. Changes in these funds during the year were properly authorized.

Receivables, Less Reserves — \$5,991,502:

Receivables are itemized on the balance sheet, Exhibit A, and are commented upon as follows:

Taxes, penalties and costs receivable of \$2,433,636 which are summarized below, show an increase of \$167,737 from the outstandings at June 30, 1949:

	June 30, 1950		
	Total	Secured	Unsecured
Taxes:			
Current year — 1949-50.....	\$ 567,617	\$312,630	\$ 254,987
Prior years:			
1948-49	349,135	119,583	229,552
1947-48	289,490	51,435	238,055
1946-47	105,701	20,995	84,706
1945-46	57,912	12,686	45,226
Prior	857,190	52,482	804,708
Total taxes	<u>\$2,227,045</u>	<u>\$569,811</u>	<u>\$1,657,234</u>
Penalties	174,325	21,080	153,245
Costs	32,266	3,934	28,332
Total — June 30, 1950	<u>\$2,433,636</u>	<u>\$594,825</u>	<u>\$1,838,811</u>
Total — June 30, 1949	2,265,899	548,276	1,717,623
Increase during current year	<u>\$ 167,737</u>	<u>\$ 46,549</u>	<u>\$ 121,188</u>

Unsecured taxes, penalties and costs at June 30, 1950, totaling \$1,838,811 are fully reserved for and are included in revenue only upon collection.

Subventions receivable of \$2,621,371 consisted of the following:

Motor vehicle fuel tax, license and registration fees.....	\$1,359,655
Tuberculosis aid subsidy	488,319
Charities — aged, blind and children	445,909
Alcohol beverage licenses	266,666
Other items	60,822
Total	\$2,621,371

Major items included in the foregoing were substantiated by confirmation wherever practicable and in other instances by review of bases and computations and by reference to subsequent cash receipts.

Purchase and use taxes collected during the period July 1, 1950 to August 10, 1950, were considered applicable to the year ended June 30, 1950, and were recorded as receivables as of that date.

Departmental service revenues of \$1,025,891 consist of \$595,041 in accounts held by various departments of the City and \$430,850 in accounts held by the Bureau of Delinquent Revenue. These accounts are reserved for in full and are credited to income upon collection.

Receivables of the School Department, \$662,059, were recorded primarily on the basis of figures contained in the report of examination of that department by other certified public accountants.

Franchise taxes accrued at June 30, 1950, as estimated by the payor companies, were as follows:

Pacific Telephone and Telegraph Company	\$443,600
Pacific Gas and Electric Company	130,036
American District Telegraph Company	5,016
California Street Cable Railroad Company	2,864
Total	\$581,516

Interest receivable consisted of \$343,508 accrued on investments of the Employees' Retirement System and \$1,673 accrued on investments of other trust funds.

Interfund Accounts — \$554,677:

These amounts were reconciled to offsetting amounts recorded by the various public service enterprises.

Investments — \$78,201,093:

Investments consisted primarily of securities of the Employees' Retirement System as indicated by the following summary:

	Par Value	Book Amount
Securities:		
Employees' Retirement System:		
United States Government bonds	\$57,414,000	\$57,711,009
Municipal bonds	10,582,937	10,615,834
Public utility bonds	8,980,000	9,109,004
Railroad bonds	330,000	328,873
Total	\$77,306,937	\$77,764,720
Other trust funds:		
Bonds	377,000	378,289
Stocks		2,094
Total securities		\$78,145,103
Other investments:		
Real estate	\$ 55,970	
Miscellaneous	20	55,990
Total investments		\$78,201,093

Securities are stated at cost, adjusted for amortization of bond premiums and discounts.

The bonds of the Employees' Retirement System were examined jointly as at June 30, 1950, by other certified public accountants and by the Controller's General Audit Division. Securities of other trust funds were examined by the General Audit Division. This Division also examined other securities held by the Treasurer which consisted of collateral deposited by banks having a par value of \$114,343,000 and of lease guaranty deposits of \$112,750.

Other Resources — \$75,674,274:

These consist of \$71,960,000 in bonds of the City and County which have been authorized but not sold, and of amounts to be received from the State of California as provided for in Chapter 20, Statutes of 1946 (State aid for construction — "Christmas Tree Fund").

These amounts have been credited to funds available for expenditure on the funding basis but are fully reserved for on the proprietary basis.

Changes in bonds authorized but unissued during the current year are summarized as follows:

Balance, June 30, 1949		\$114,465,000
Add bonds authorized during year:		
1949 Airport	\$10,000,000	
1949 Cherry Valley Dam	4,000,000	14,000,000
Total		<u>\$128,465,000</u>

Deduct bonds sold during year:

1947 Recreation	\$ 1,280,000	
1947 Street Improvement	7,600,000	
1948 Sewage Treatment	10,550,000	
1948 Juvenile Court and Detention Home	925,000	
1947 Hetch Hetchy	8,500,000	
1947 Rehabilitation (Railway)	2,050,000	
1945 Airport	1,390,000	32,295,000
Balance, June 30, 1950 — Exhibit G		<u>\$ 96,170,000</u>

Fixed Assets — \$292,619,897:

These assets consisted of:

Land, buildings and equipment	\$269,648,308
Uncompleted construction contracts	22,971,589
Total	<u>\$292,619,897</u>

A summary of additions to fixed capital is presented as Exhibits C and D. Substantial tests were made of the transactions involving acquisition or disposition of fixed properties during the year. Records of the Controller are not maintained in a manner to allow ready preparation of a summary of current additions by "projects".

The foregoing total, \$269,648,308, does not purport to represent the cost of fixed assets presently in existence, as no attempt is made to eliminate from stated amounts all recorded costs of items disposed of which were previously charged thereto.

Equipment records, as provided for in Section 88 of the Charter, are not being maintained.

Insofar as the fixed capital of the "General City and County" is concerned, depreciation is not being computed and no charge for depreciation is included in current operating expenses.

An equity of \$287,000, approximately, in parking meters has been acquired through payment of one-half of the collections to vendors. This equity is not recorded on the books, nor in the statements included herewith. At June 30, 1950, there was an outstanding balance of \$181,355 which was to be paid from future collections.

Uncompleted construction contracts at June 30, 1950, totaled \$22,971,589.

Deferred Charges — \$799,659:

The foregoing consisted of:

Inventories of materials and supplies	\$746,439
Travel advances and sundry	53,220
Total	<u>\$799,659</u>

These inventories are segregated by departments as follows:

School Department	\$478,805
Fire Department	82,244
Central Warehouse	48,679
Park, recreation, purchasing, public works and sheriff's stores	36,711
Other departments (estimated)	100,000
Total	<u>\$746,439</u>

The foregoing amounts, with the exception of the \$82,244 for the Fire Department and the \$100,000 estimate for other departments, are based on recent physical inventories taken by employees of the City and County. These counts were not made under independent supervision nor were independent tests made of quantities or prices.

Included in travel advances and sundry of \$53,220 are \$19,435 included in expense reports currently under audit and \$17,400 in advances which were independently confirmed.

Investment in Public Service Enterprises — \$107,537,169:

The investment of the City and County in public service enterprises totaled \$107,537,169 as recorded by the audit reports or statements of the various enterprises and are summarized in Exhibit E. An equivalent amount is recorded in the balance sheet Exhibit A under the caption "Equities".

Commitments and Accounts Payable — \$27,246,689:

Commitments of \$27,107,456 represented the total General City and County uncompleted contracts, purchase and service orders at June 30, 1950. This amount was substantiated by test inspections of supporting documents.

Deposits and sundry liabilities of \$139,233 consisted primarily of repayable deposits and other receipts of a trust nature which are returnable or will be spent for specific purposes.

Unfunded prior service pension costs, excluding Old Firemen not yet retired, were in excess of \$23,000,000 at June 30, 1945, as determined at the last periodic actuarial valuation. The next valuation is required as at June 30, 1951. The liability at June 30, 1950, is currently indeterminable.

Deferred Credits — \$6,793,748:

These consisted of the following:

Personal property taxes applicable to the fiscal year 1950-51 which were collected by the Assessor and deposited with the Treasurer prior to July 1, 1950.....	\$4,787,723
Subventions received in advance:	
Aid to needy aged	1,277,049
Aid to needy children	199,090
Aid to needy blind	53,878
Prepaid rentals and deposits	28,422
Tuition billed to other counties by the School Department	420,385
Delinquent tax installment receipts	27,069
Sundry	132
Total	\$6,793,748

Trust and Assessment Fund Balances — \$91,382,966:

These funds consisted of the unapplied balances of the Employees' Retirement System of \$87,381,279 and of other trust funds of \$4,001,687. Details of these funds are shown in Exhibit I.

Fund Balances — \$105,862,482:

In Exhibit I are shown the various funds and their components.

Bonded Indebtedness — \$55,920,000:

Bonded indebtedness at June 30, 1950, totaled \$169,275,000 of which \$55,920,000 consisted of General City and County issues and \$113,355,000 of issues of Public Service Enterprises. Details of this indebtedness are presented in Exhibit H and a summary of the changes during the year follows:

Total bonds outstanding and unmatured June 30, 1949.....	\$149,479,000
Bonds issued during the year	32,295,000
Total	\$181,774,000
Bonds matured during the year	12,499,000
Total bonds outstanding and unmatured June 30, 1950	\$169,275,000

Bonds matured but unpaid totaled \$182,000 at June 30, 1949, and \$41,300 at June 30, 1950. All bonds redeemed during the year were inspected.

Investment in Fixed Assets — \$245,423,411:

The net investment of the City and County in fixed assets increased from \$232,204,784 at June 30, 1949, to \$245,423,411 at June 30, 1950, as detailed below:

Capital additions from current fund	\$5,034,158
Capital additions from trust funds	405,321
	\$ 5,439,479
Bonds retired from current revenues	4,639,000
State aid received.....	2,804,375
Sale of fixed assets (gain)	749,425
Premiums on sale of bonds	115,788
Sundry	7,653
	\$ 13,755,720
Less: Transfers to current funds for property purchases	537,093
Increase during year	\$ 13,218,627
Balance, June 30, 1949	232,204,784
Balance, June 30, 1950	\$245,423,411

Current Surplus — \$21,771,189:

Details of the changes in this account during the year are presented in Exhibit B.

Contingent Liabilities:

The City and County of San Francisco is subject to a contingent liability by reason of its participation in the Golden Gate Bridge and Highway District. All taxable property is liable for taxes to meet operating expenses, interest and redemption charges. Certain considerations affecting this liability are as follows:

	Years Ended June 30,		
	1950	1949	1948
Net income after provision for bond interest	\$ 2,445,495	\$2,053,830	\$1,962,597
Surplus accounts at end of year	10,242,918	8,096,857	7,120,209

Bonds outstanding at June 30, 1950, totaled \$32,800,000 maturing on July 1, as follows:

	Annually	Total
1950 to 1951 inclusive	\$ 400,000	\$ 800,000
1952 to 1956 inclusive	800,000	4,000,000
1957 to 1961 inclusive	1,200,000	6,000,000
1962 to 1966 inclusive	1,600,000	8,000,000
1967 to 1971 inclusive	2,800,000	14,000,000
Total outstanding bonds, June 30, 1950		<u>\$32,800,000</u>

As indicated by a letter from the City Attorney, the⁸ City and County had at June 30, 1950, suits pending of \$15,750,000, approximately, affecting the Municipal Railway and of \$4,006,000, approximately, affecting other city departments. In addition there was an undetermined number of claims filed which had not resulted in suits as of that date. The Railway has provided a reserve therefor of \$2,447,505; other departments have not provided any reserves to cover the probable liability.

The following General City and County funds appearing on Exhibit I show deficits at June 30, 1950:

Firemen's relief and pensions	\$171,167
Auditorium	167,930
Police relief and pensions	103,235

These deficits were created prior to the adoption of the present Charter, which became effective January 8, 1932. With the exception of slight adjustments, the above amounts are the same as on the aforementioned date. Inasmuch as Section 86 of the present Charter is designed to prevent any deficit from being created after its adoption, it is recommended that some legal means be found to dispose of these old deficits.

EXHIBIT A CITY AND COUNTY OF SAN FRANCISCO BALANCE SHEET June 30, 1950

LIABILITIES AND EQUITIES

FUND LIABILITIES:	
Commitments and accounts payable:	
Uncompleted contracts, purchase and service orders	\$ 27,107,456
Deposits and sundry liabilities	139,233
	\$ 27,246,689
Deferred credits:	
Tax collections for the year 1950-51	\$ 4,787,723
Subventions and other items applicable to future periods	2,006,025
	6,793,748
Trust and assessment fund balances — Exhibit I	91,382,966
Fund balances — Exhibit I:	
Uncumbered appropriations	\$ 59,632,159
Unappropriated balances	40,152,396
Cash reserve	6,077,927
	105,862,482
Total fund liabilities	\$231,285,885
LIABILITIES AGAINST RECEIPTS OF FUTURE YEARS:	
Bonded indebtedness — Exhibit H	\$ 55,920,000
Bond interest accrued but not due	493,164
	56,413,164
EQUITIES:	
Investment in fixed assets	\$245,423,411
Current surplus — Exhibit B	21,771,189
	\$267,194,600
Deduct:	
Fund balances — as above	\$113,862,492
Less: Reserve for other resources	75,674,274
Included therein	30,188,208
	\$237,006,392
Investment in Public Service Enterprise — contra.	107,537,169
	344,543,561

\$632,242,610

RESOURCES

CASH:	
On deposit with the Treasurer	\$ 76,104,229
Less: Outstanding warrants and other items	6,204,959
	\$ 69,899,270
Cash in transit	920,669
Revolving funds	44,400
	\$ 70,864,339
RECEIVABLES:	
Property taxes, penalties and costs	\$ 2,433,636
Subventions	2,621,371
Purchase and use tax	1,108,079
Departmental service revenues	1,025,891
School Department tuition and counseling	662,059
Franchise taxes	581,516
Interest	345,181
Sundry	81,355
	\$ 8,859,088
Less: Reserves	2,867,586
	5,991,502
INTERFUND ACCOUNTS:	
Due from Public Service Enterprises — net	554,677
	78,201,093
INVESTMENTS:	
Securities	\$ 78,145,103
Other	55,990
	\$ 78,145,103
OTHER RESOURCES — CONTRA:	
Bonds authorized but unissued — Exhibit G	\$ 71,960,000
State Aid (Chapter 20, Statutes 1946)	3,714,274
State Aid (Chapter 47, Statutes 1944)	319,065
	\$ 75,993,339
Less: Reserve	319,065
	75,674,274
Total funding resources	\$231,285,885
FIXED ASSETS:	
Land, buildings and equipment — Exhibits C and D	\$269,648,308
Uncompleted construction contracts	22,971,589
	292,619,897
DEFERRED CHARGES:	
Inventories of materials and supplies	\$ 746,439
Travel advances and sundry	53,220
	799,659
	107,537,169
	\$632,242,610

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF REVENUES, EXPENSE AND
CURRENT SURPLUS — GENERAL CITY AND COUNTY
For the Years Ended June 30, 1950 and 1949

	Year Ended June 30, 1949	1950	
REVENUES:			
Property taxes, penalties, interest and costs.....	\$ 60,358,808	\$ 60,699,337	
State and Federal subventions.....	23,915,871	27,449,093	
Departmental revenues — Schedule 1.....	5,223,206	5,583,159	
Retail purchase and use tax.....	4,667,018	4,579,668	
Fines, forfeits and penalties.....	1,386,183	1,630,166	
Franchise taxes.....	778,763	826,347	
Use of money and investment property.....	707,016	790,085	
Licenses.....	686,297	680,456	
Housing authority in lieu of taxes.....	274,458	372,387	
Other.....	51,440	91,940	
Total revenues.....	\$98,049,060	\$102,702,638	
EXPENSES:			
Departmental expenses — Schedule 2.....	\$71,102,987	\$ 76,950,480	
Pension costs — Employees' Retirement System.....	8,285,241	10,516,145	
Bond interest.....	1,077,822	1,298,730	
Other.....	63,602	38,324	
Contributions:			
San Francisco Airport.....	2,632,670	2,966,290	
Municipal Railway.....	2,461,249	28,679	
Public Utilities Commission.....	289,600	171,825	
Joint Highway Districts.....	170,342		
Total expenses.....	\$86,083,513	\$ 91,970,473	
Excess of revenues over expenses.....	\$11,965,547	\$ 10,732,165	
CURRENT SURPLUS, FIRST OF YEAR.....	18,485,888	20,033,032	
School cafeteria fund not previously recorded.....	153,912	537,093	
Transfers from capital funds.....	263,787		
Decrease in encumbrances and interdepartmental work orders and sundry.....	1,077,464**	142,057	
Capital additions from revenue.....	4,103,631**	5,034,158**	
Bond fund additions from revenue.....	732,782**	4,639,000**	
Bond redemption.....	450,000*		
Contributions to Public Utilities Commission in previous years.....	733,225		
CURRENT SURPLUS, END OF YEAR — EXHIBIT A.....	\$20,033,032	\$ 21,771,189	
Decrease*	1,738,157		

**Denote reduction.

EXHIBIT B — SCHEDULE 1
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL REVENUES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1950 and 1949

	Year Ended June 30,		Increase Decrease ^a
	1950	1949	
General Government:			
Municipal Courts	\$ 125,056	\$ 104,990	\$ 20,066
Superior Courts	222,653	188,167	34,486
Recorder	224,185	206,559	17,626
Public Administrator	132,770	131,238	1,532
Sheriff	52,813	48,855	3,958
Treasurer	25,023	27,709	2,686*
Rent of building space	43,764	34,055	9,709
Parking meters	289,512	119,384	170,128
Other	65,959	68,128	2,169*
Total	\$1,181,735	\$ 929,085	\$252,650
Public Safety:			
Inspection and permit fees:			
Department of Public Works	\$ 317,294	\$ 349,348	\$ 32,054*
Department of Electricity	79,754	83,608	3,854*
Health Department	43,044	32,664	10,380
Farmers Market	32,191	26,287	5,904
Other	68,733	63,576	5,157
Total	\$ 541,016	\$ 555,483	\$ 14,467*
Schools:			
Child Care Center (fees from parents)	\$ 259,574	\$ 271,465	\$ 11,891*
Cafeteria sales	862,283	875,200	12,917*
Tuition for students from other counties	403,881	303,446	100,435
Other	54,809	51,437	3,372
Total	\$1,580,547	\$1,501,548	\$ 78,999
Libraries	\$ 30,742	\$ 36,402	\$ 5,660*
Recreation:			
Cultural and scientific	\$ 148,863	\$ 180,015	\$ 31,152*
Rent of auditoriums and special facilities	324,235	330,294	6,059*
Refreshment activities	518,704	516,063	2,641
Organized recreation	385,196	375,597	9,599
Concessions	25,328	41,478	16,150*
Other	14,598	13,108	1,490
Total	\$1,416,924	\$1,456,555	\$ 39,631*
Hospitals:			
San Francisco Hospital	\$ 141,750	\$ 155,178	\$ 13,428*
Sonoma State Home	50,711	47,663	3,048
Other	26,884	17,851	9,033
Total	\$ 219,345	\$ 220,692	\$ 1,347*

EXHIBIT B — SCHEDULE 1 (Concluded)
 CITY AND COUNTY OF SAN FRANCISCO
 COMPARATIVE STATEMENT OF DEPARTMENTAL REVENUES —
 GENERAL CITY AND COUNTY
 For the Years Ended June 30, 1950 and 1949

	Year Ended June 30,		Increase Decrease*
	1950	1949	
Charities:			
Collections for maintenance of minors.....	\$ 165,024	\$ 152,878	\$ 12,146
Laguna Honda Home	87,143	68,060	19,083
Other	1,553	987	566
Total	\$ 253,720	\$ 221,925	\$ 31,795
Corrections	\$ 32,791	\$ 29,478	\$ 3,313
Sanitation (Side-sewer installation)	\$ 134,433	\$ 140,787	\$ 6,354*
Health Conservation (Fees and permits)	\$ 177,009	\$ 124,396	\$ 52,613
Other	\$ 14,897	\$ 6,855	\$ 8,042
Total departmental revenues — general city and county — Exhibit B	\$5,583,159	\$5,223,206	\$359,953

EXHIBIT B — SCHEDULE 2
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL EXPENSES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1950 and 1949

	Year Ended June 30,		Increase Decrease*
	1950	1949	
General Government:			
Legislative	\$ 234,181	\$ 261,649	\$ 27,468*
Executive	189,824	168,829	20,995
Judicial	2,376,838	2,228,910	147,928
Elections	413,113	307,039	106,074
Finance	1,932,515	1,823,888	108,627
Law	477,389	457,974	19,415
Recording and reporting	140,792	152,462	11,670*
Administrative officers and boards	971,893	1,037,916	66,023*
General government buildings	763,437	723,695	39,742
Community promotion	326,697	419,117	92,420*
Other	1,714	4,510	2,796*
Total	\$ 7,828,393	\$ 7,585,989	\$ 242,404
Public Safety:			
Police Department	\$ 7,366,117	\$ 6,729,401	\$ 636,716
Fire Department	7,333,249	7,153,865	179,384
Protective inspection	342,242	340,471	1,771
Other	187,185	169,513	17,672
Total	\$15,228,793	\$14,393,250	\$ 835,543
Highways:			
General administration	\$ 63,573	\$ 57,633	\$ 5,940
Roadways	912,599	769,418	143,181
Street lighting	936,798	952,984	16,186*
Bridges and viaducts	81,450	91,616	10,166*
Other	52,008	50,880	1,128
Total	\$ 2,046,428	\$ 1,922,531	\$ 123,897
Schools	\$23,016,066	\$21,219,221	\$1,796,845
Libraries:			
Books, pamphlets and magazines	\$ 138,455	\$ 130,431	\$ 8,024
Other	664,197	641,784	22,413
Total	\$ 802,652	\$ 772,215	\$ 30,437
Recreation:			
Cultural — scientific	\$ 1,262,793	\$ 1,115,462	\$ 147,331
Parks and squares	1,315,127	1,401,811	86,684*
Organized recreation	1,593,328	1,578,949	14,379
Auditoriums and special facilities	641,292	696,801	55,509*
Refreshment facilities	449,160	455,803	6,643*
Other	34,362	27,827	6,535
Total	\$ 5,296,062	\$ 5,276,653	\$ 19,409

EXHIBIT B — SCHEDULE 2 (Concluded)
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL EXPENSES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1950 and 1949

	Year Ended June 30,		Increase Decrease*
	1950	1949	
Hospitals:			
General administration	\$ 226,878	\$ 206,900	\$ 19,978
Municipal hospitals	6,103,406	5,863,673	239,733
Patients in nonmunicipal hospitals.....	235,026	214,425	20,601
Other	36,042	33,119	2,923
Total	\$ 6,601,352	\$ 6,318,117	\$ 283,235
Charities:			
General administration	\$ 134,994	\$ 56,123	\$ 78,871
Laguna Honda Home	623,922	690,897	66,975*
General relief	1,740,524	1,181,904	558,620
Old age assistance	4,501,680	4,108,509	393,171
Aid to minors	3,326,024	2,048,779	1,277,245
Aid to blind	190,602	203,752	13,150*
Other	364,864	305,997	58,867
Total	\$10,882,610	\$ 8,595,961	\$2,286,649
Corrections:			
Adults	\$ 556,056	\$ 542,114	\$ 13,942
Minors	462,544	466,027	3,483*
Total	\$ 1,018,600	\$ 1,008,141	\$ 10,459
Sanitation and Waste Removal:			
Sewers and sewage disposal	\$ 813,309	\$ 746,607	\$ 66,702
Side-sewer installation	126,650	170,734	44,084*
Street sanitation	1,201,251	1,195,232	6,019
Other	9	6,000	5,991*
Total	\$ 2,141,219	\$ 2,118,573	\$ 22,646
Health Conservation:			
General administration	\$ 179,743	\$ 160,762	\$ 18,981
Health regulation and inspection	459,612	436,956	22,656
Control of communicable diseases	416,586	381,334	35,252
Child health services	907,170	788,805	118,365
Other	125,194	124,479	715
Total	\$ 2,088,305	\$ 1,892,336	\$ 195,969
Total departmental expenses— general city and county Exhibit B	\$76,950,480	\$71,102,987	\$5,847,493

CITY AND COUNTY OF SAN FRANCISCO

Current Year's Additions — Net:				Total fixed assets, June 30, 1950—Exhibit A			
General government—Civic Center, including City Hall				General government—net			
Public Safety:				Public Safety:			
Fire Department				Fire Department			
Police Department				Police Department			
Department of Electricity				Department of Electricity			
Highways:				Highways:			
Streets, tunnels, bridges, etc.				Streets, tunnels, bridges, etc.			
Asphalt plant				Asphalt plant			
Sanitation:				Sanitation:			
Sewers and sewage disposal plants				Sewers and sewage disposal plants			
Street Cleaning Department				Street Cleaning Department			
Garbage incinerators				Garbage incinerators			
Health Conservation:				Health Conservation:			
Hassler Health Home				Hassler Health Home			
Civic Center Health Building				Civic Center Health Building			
Excelsior Health Center				Excelsior Health Center			
Other:				Other:			
Hospitals:				Hospitals:			
San Francisco Hospital				San Francisco Hospital			
Emergency Hospitals				Emergency Hospitals			
Charities:				Charities:			
Laguna Honda Home				Laguna Honda Home			
S. F. Welfare Department				S. F. Welfare Department			
Corrections:				Corrections:			
County jails				County jails			
Juvenile Detention Home—old				Juvenile Detention Home—old			
Youth Guidance Center				Youth Guidance Center			
Log Cabin Ranch				Log Cabin Ranch			
Juvenile Girls' Dormitory				Juvenile Girls' Dormitory			
Schools:				Schools:			
Libraries				Libraries			
Recreation:				Recreation:			
Playgrounds and swimming pools				Playgrounds and swimming pools			
Museums, art galleries, etc.				Museums, art galleries, etc.			
War Memorial and Opera House				War Memorial and Opera House			
Parks and squares				Parks and squares			
Auditorium				Auditorium			
Golf links				Golf links			
Kezar Stadium				Kezar Stadium			
Other:				Other:			
Central warehouse and corporation yard				Central warehouse and corporation yard			
Miscellaneous				Miscellaneous			
Current year's additions—net				Current year's additions—net			
Prior Year's Additions				Prior Year's Additions			
Total				Total			
Land				Land			
Buildings, Structures, Improvements				Buildings, Structures, Improvements			
Equipment				Equipment			

55

55

EXHIBIT E
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
SUMMARY BALANCE SHEET
June 30, 1950

Adjustments and Reclassifications		Debit		Credit		Municipal Railway		Hetch Hetchy and Water Department		Public Utilities Commission		Airport	
Cash.....	\$ 24,916,499	\$ 87,982	(4)	\$ 1,497	(6)	\$ 5,220,990	\$ 17,238,292	\$ 275,984	\$ 3,998,616				
Receivables — net.....	1,257,601	1,497	(6)			73,103	1,073,198	2,500	107,303				
Other resources — contra.....	24,896,266	24,210,000	(2)						686,266				
Fixed assets — net.....	199,914,915					20,377,102	142,764,480	1,357,710	35,413,623				
Deferred charges.....	12,352,145	141,947	(3)	851,604	(8)	1,610,551	9,108,171	230,950	2,112,130				
Totals.....	263,337,426	\$24,441,426		\$ 2,756,969		\$27,281,746	\$170,184,141	\$1,867,144	\$42,319,938				
Liabilities, Reserves and Surplus													
Commitments.....	\$ 11,328,625	\$ 851,604	(8)	\$ 1,536,651	(9)	\$ 628,431	\$ 7,745,227	\$ 209,311	\$ 2,060,609				
Sundry liabilities.....	2,114,894	1,536,651	(9)			1,480,597	3,313,246	96,147	633,123				
Interfund payables — General City.....	554,577	14,613	(7)	141,947	(3)	200,753	229,363	200,041*	197,268				
Deferred credits.....	740,022			14,613	(7)	22,573	25,117	604,087	73,632				
Bonded indebtedness.....	113,355,000	32,300	(1)			17,919,300	82,878,000		12,590,000				
Liability reserves.....	2,810,773					2,645,871	163,120	1,782					
Reserve for other resources.....	24,896,266			24,210,000	(2)								
Surplus (Investment of City and County) — Exhibit A.....	107,537,169	686,266	(1)	87,982	(4)	4,384,221	75,830,068	1,155,858	26,765,306				
Totals.....	\$263,337,426	\$ 4,993,002		\$26,677,459		\$27,281,746	\$170,184,141	\$1,867,144	\$42,319,938				

*Decrease.

- (1) To reclassify outstanding warrants, matured bonds and interest, and pay roll deductions.
 (2) To record unsold bonds.
 (3) To record interfund liability for interdepartmental work order and budget transfers.
 (4) To record cash of Cherry Valley Dam Project.
 (5) To reclassify grant for Federal Airport Project.
 (6) To reclassify cash in transit.
 (7) To reclassify sundry interfund items.
 (8) To eliminate interdepartmental work orders.
 (9) To reclassify accounts payable to encumbrances.

EXHIBIT F
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
SUMMARY OF REVENUES, EXPENSES AND SURPLUS
For the Year Ended June 30, 1950

	Municipal Railway	Hetch Hetchy Water Department and San Francisco Utilities Commission	Public Utilities Commission	San Francisco Airport
Revenues and Expenses:				
Operating revenues.....	\$ 33,704,369	\$18,575,308	\$13,473,539	\$1,147,860
Operating expenses.....	30,193,526	20,678,077	7,143,592	1,147,860
Excess of operating revenues.....	\$ 3,510,843	\$ 2,102,769*	\$ 6,329,947	\$ 716,335*
Other revenues:				
Interest.....	\$ 29,005	\$ 13,935	\$ 15,070	\$
Rentals.....	161,394		161,394	
Other.....	383,831	273,242	54,643	45,946
Total other revenues.....	\$ 564,230	\$ 287,177	\$ 231,107	\$ 45,946
Other expenses:				
Bond interest.....	\$ 3,327,139	\$ 259,420	\$ 2,980,135	\$ 87,584
Other.....	44,439		44,439	
Total other expenses.....	\$ 3,371,578	\$ 259,420	\$ 3,024,574	\$ 87,584
Excess of revenues over expenses.....	\$ 703,495	\$ 2,075,012*	\$ 3,536,480	\$ 757,973*
Surplus:				
Surplus, June 30, 1949.....	\$103,096,521	\$ 6,459,233	\$72,348,394	\$ 842,196
Add:				
Excess of revenues over expenses (above).....	703,495	2,075,012*	3,536,480	757,973*
Contributions from General City and County.....	2,994,969			2,966,290
Contributions from others.....	1,098,382			1,098,382
Other additions.....	926,892			11,909
Total.....	\$108,190,259	\$ 4,384,221	\$75,884,874	\$1,155,858
Less:				
Other surplus charges.....	54,806		54,806	
Surplus, June 30, 1950.....	\$108,135,453	\$ 4,384,221	\$75,830,068	\$26,765,306

*Denotes loss.

EXHIBIT G
CITY AND COUNTY OF SAN FRANCISCO
BONDS AUTHORIZED BUT UNISSUED
June 30, 1950

General City and County:

1947 Street Improvement	\$12,250,000
1947 Off-Street Parking	5,000,000
1947 Recreation	8,370,000
1948 Sewage Treatment	4,450,000
1948 Schools	41,890,000

Total General City and County—Exhibit A....	\$71,960,000
---	--------------

Public Service Enterprises:

1945 Airport	\$ 1,110,000
1947 Municipal Railway Rehabilitation	3,050,000
1947 Market Street Railway Refinancing	250,000
1947 Hetch Hetchy Water	5,800,000
1949 Airport	10,000,000
1949 Cherry Valley Dam	4,000,000

Total Public Service Enterprises	24,210,000
--	------------

Total Bonds Authorized and Unissued	\$96,170,000
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EXHIBIT H BONDED INDEBTEDNESS — JUNE 30, 1950

General City and County:

Schools:

March 1, 1923, 5%	\$ 5,100,000	
1948, Series A—March 1, 1949, 1¼% to 5½% ..	6,825,000	\$11,925,000

Parks and Playgrounds:

Parks and Squares—February 1, 1931, 4½%	\$ 560,000	
Playgrounds—February 1, 1931, 4½%	80,000	
1947 Recreation, Series A—August 1, 1948, 1¼% to 1¾%	2,291,000	
1947 Recreation, Series B—November 1, 1949, 1% to 4%	1,280,000	4,211,000

Boulevards and Roads:

Bernal Cut—July 1, 1927, 4½%	\$ 140,000	
Boulevard—November 1, 1927, 4½%	938,000	
Boulevards and Roads—February 1, 1931, 4½% ..	360,000	
1947 Street Improvement, Series A—February 1, 1948, 1½% and 2%	2,400,000	
1947 Street Improvement, Series B—August 1, 1949, 1% to 4%	2,000,000	
1947 Street Improvement, Series C—November 1, 1949, 1% to 4%	5,600,000	11,438,000

Sewers:

July 1, 1908, 5%	\$ 500,000	
January 1, 1929, 4½%	500,000	
December 1, 1933, 4%	1,105,000	
1944, Series A—December 15, 1945, ½%	1,000,000	
1944, Series B—February 1, 1948, 1¼% to 2½%	6,932,000	
1948 Sewage Treatment, Series A—August 1, 1949, 1% to 4%	7,550,000	
1948 Sewage Treatment, Series B—November 1, 1949, 1½% to 4%	3,000,000	20,587,000

Fire Protection:

July 1, 1908, 5%	\$ 780,000	
High Pressure System—December 1, 1933, 3% ..	400,000	1,180,000

Other Issues:

Hospitals—January 1, 1929, 4½%	\$ 525,000	
City Hall and Civic Center—July 1, 1912, 5% ..	2,200,000	
Memorial Halls—July 1, 1927, 4½%	400,000	
County Jail—January 1, 1931, 4½%	100,000	
1944 Juvenile Home and Court—August 1, 1948, 1¼%	650,000	
1948 Juvenile Court and Detention Home, Series A—August 1, 1948, 1¼% to 1¾%	1,779,000	
1948 Juvenile Court and Detention Home, Series B—November 1, 1949, 1% to 4%	925,000	6,579,000

Total Bonded Indebtedness — General City and County—Exhibit A		\$55,920,000
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EXHIBIT H (Concluded)
BONDED INDEBTEDNESS — JUNE 30, 1950

Public Service Enterprises:

Hetch Hetchy Water Supply and Power Project:

Water—July 1, 1910, 4½%	\$15,000,000	
Hetch Hetchy Water—January 1, 1925, 5%	4,750,000	
Hetch Hetchy—July 1, 1928, 4½%	16,800,000	
Hetch Hetchy—June 1, 1932, 2¾% to 5¾%	4,100,000	
Hetch Hetchy Dam—December 1, 1933, 4%	700,000	
1947 Hetch Hetchy Water, Series A—February 1, 1948, 1¾% to 2½%	6,750,000	
1947 Hetch Hetchy Water, Series B—August 1, 1948, 1¼% and 1½%	1,250,000	
1947 Hetch Hetchy Water, Series C—March 1, 1949, 1¼%	1,750,000	
1947 Hetch Hetchy Water, Series D—November 1, 1949, 1% to 6%	8,500,000	\$ 59,600,000

Water Department:

Spring Valley—July 1, 1928, 4½%	\$21,000,000	
Water Distribution—December 1, 1933, 4%	2,246,000	23,246,000

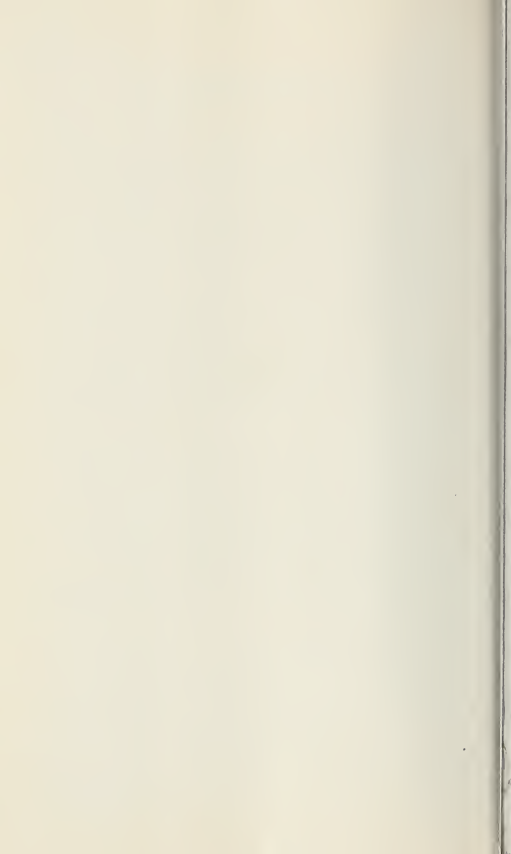
Municipal Railway:

December 1, 1931, 5%	\$ 300,000	
1947 Rehabilitation, Series A—February 1, 1948, 1¾% to 2½%	5,632,000	
1947 Rehabilitation, Series B—August 1, 1948, 1¼% to 4%	4,777,000	
1947 Rehabilitation, Series C—March 1, 1949, 1½% and 6%	3,410,000	
1947 Rehabilitation, Series D—August 1, 1949, 1% to 4%	1,500,000	
1947 Rehabilitation, Series E—November 1, 1949, 1% to 4%	550,000	
1947 Market Street Railway Refinancing, Series A—May 1, 1948, 1¼%	1,750,000	17,919,000

San Francisco Airport:

1945, Series A—December 15, 1945, ½%	\$ 1,500,000	
1945, Series B—June 15, 1946, 1%	500,000	
1945, Series C—December 15, 1946, 1½% to 2½%	8,000,000	
1945, Series D—February 1, 1948, 1½%	1,200,000	
1945, Series E—November 1, 1949, 1% to 4% ..	1,390,000	12,590,000

Total Bonded Indebtedness — Public Service Enterprises	\$113,355,000
Total Bonded Indebtedness — General City and County	55,920,000
Total Bonded Indebtedness, June 30, 1950....	<u>\$169,275,000</u>



*Denotes reduction.



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EXHIBIT I
CITY AND COUNTY OF SAN FRANCISCO
FUND BALANCE SHEETS—JUNE 30, 1950

[illegible]

(3) Bonds authorized but unsold.

(+) Unamortized bond premiums.

(7) State aid allocation for post-war construction projects (Chapter 20, Statutes 1946).

8) Reserve for cancelled warrants.



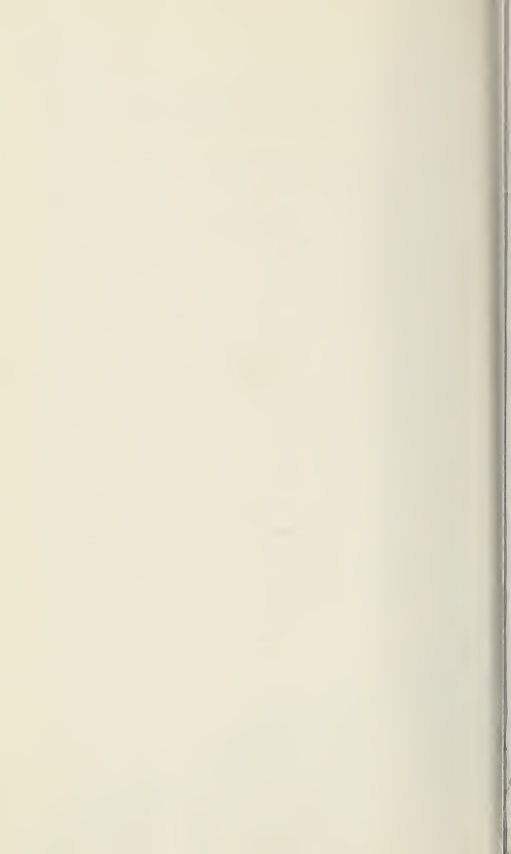
EXHIBIT I FUND BALANCE SHEETS—JUNE 30, 1950

Cash	Investments	Other Receivables	Interfund Accounts Receivable	Total Resources	Public Trusts	Total Liabilities and Fund Balances	Interfund Accounts Payable	Fund Balances
\$7,318,307	\$77,764,720	\$343,508	\$1,982,727	\$87,409,262	Employees' Retirement System	\$87,409,262	\$13,841	\$87,381,279
7,287				7,287	Beardsley	7,287		7,287
124				124	Bender	124		124
11,948				11,948	Brayton	11,948		11,948
1,144	94			1,238	Brunetti	1,238		1,238
263				263	Fallon	263		263
5,652	120,189	251		126,092	Fuhrman—Library	126,092	824	125,268
61,794				61,794	Fuhrman—Park	61,794		61,794
1,780	50,990			52,770	Fuhrman—Joint	52,770		52,770
1,736	8,379	116		10,231	Herzstein	10,231		10,231
1,258				1,258	Huntington	1,258		1,258
546	2,000			2,546	Lewis	2,546		2,546
157				157	Magnin	157		157
7,237	2,073	45		9,355	Marx	9,355		9,355
8				8	McLaren	8		8
2,103	5,000	5		7,108	McLean	7,108		7,108
503	978	23		1,504	Olsen	1,504		1,504
450				450	Phelan—California Palace of the Legion of Honor	450		450
51	2,000	11		2,062	Phelan—Library	2,062		2,062
1,894	45,000	469		47,363	Robinson	47,363		47,363
4,726	9,000	66		13,792	Sharp	13,792		13,792
10,173	5,000			15,173	Steinbrunn	15,173		15,173
51,068	150,000	417		201,485	Suybing	201,485	3,621	197,864
72	5,000	10		5,082	Sutro	5,082		5,082
8,275	15,000	156		23,431	Windel	23,431		23,431
1,900				1,900	de Young Museum Art Trust	1,900		1,900
169,739				169,739	Health Services	169,739	2,728	167,011
2,023				2,023	Infantile Paralysis	2,023		2,023
4,382				4,382	Laguna Honda Ward Shop	4,382		4,382
536				536	Musicians Club of S. F.	536		536
944	15,670	104		16,718	Panama Pacific International Exposition Scholarship	16,718		16,718
200				200	Pan American Society	200		200
3,063				3,063	Police Kangaroo	3,063		3,063
176				176	S. F. Hospital—Children's Ward	176		176
220				220	S. F. Hospital—Housing	220		220
111				111	Servicemen's Overight Housing	111		111
110				110	Social Services	110		110
213				213	Special Anecdotal Book Fund	213		213
624,622				624,622	State Aid	624,622	518	624,104
233,454	38,161			233,454	State Highway	233,454	45,866	142,078
1,413				1,413	Tuberculosis	1,413	500	913
806				806	Veterans' Education—Fire Department	806		806
\$8,504,307	\$78,201,093	\$383,342	\$1,982,727	\$89,071,469	Total Public Trusts	\$89,071,469	\$64,971	\$88,943,919



EXHIBIT I
CITY AND COUNTY OF SAN FRANCISCO
FUND BALANCE SHEETS — JUNE 30, 1950

Cash	Private Trusts	Fund Balances
\$ 829	Absent Creditors	\$ 829
15,558	Absent Heirs	15,558
35,149	Adult Probation Officers' Deposits	35,149
555	Adult Probation Officers' Clearing Account	555
15,415	Coroner's Unclaimed Money	15,415
50,033	County Clerk Bail	50,033
575,500	County Clerk Special	575,500
70	de Young Museum Trust	70
31,571	Duplicate Taxes	31,571
24,308	Electrical Deposits	24,308
8,521	Jail Stores Deposits	8,521
3,619	Juvenile Court Deposits	3,619
441	California Palace of the Legion of Honor	441
286	Library Card Deposits	286
121,510	Municipal Court Bail	121,510
20,915	Municipal Court Special	20,915
739	Municipal Court Suspense	739
559	Police Department Deposits	559
13,167	Realty Deposits	13,167
16,420	School Teachers' Sabbatical Leave	16,420
125,844	Sheriff's Trust	125,844
400	Special Badge	400
444	Street Improvement	444
289	Street Improvement—Ordinance 1934	289
10,148	Sunset Tunnel Assessment Refunds	10,148
14,645	Traffic Court Suspense	14,645
18,778	Twin Peaks Tunnel Assessment Refunds	18,778
29,527	War Bonds	29,527
493,675	Withholding Tax—General	493,675
192,097	Withholding Tax—S. F. Unified School District	192,097
<u>\$1,821,012</u>	Total Private Trusts	<u>\$1,821,012</u>



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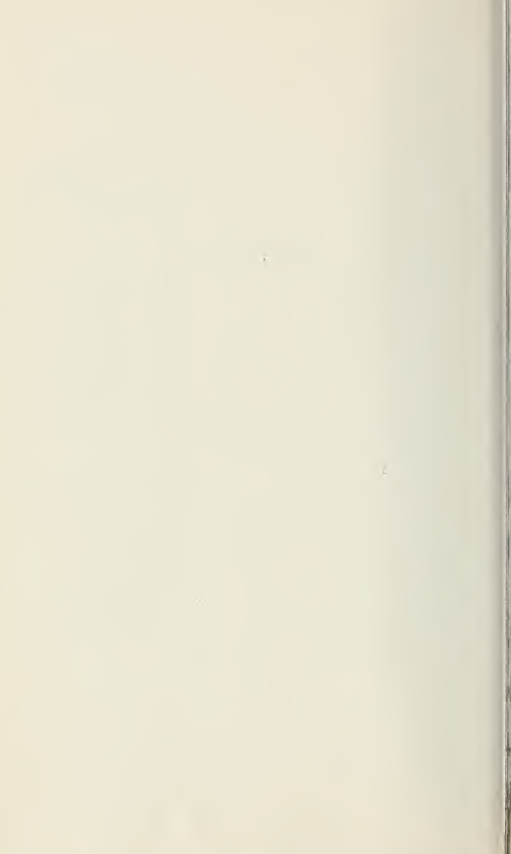


EXHIBIT I
CITY AND COUNTY OF SAN FRANCISCO
FUND BALANCE SHEETS — JUNE 30, 1950

Cash	Other Receivables	Interfund Accounts Receivable	Other Resources	Total Resources	Public Service Enterprises	Fund Balances	Commitments	Interfund Payable	Other Liabilities and Reserves	Deferred Credits	Unencumbered Appropriations	Fund Balances
\$ 310,520	\$ 980	\$ 514,573	\$ 389,836	\$ 128,737	\$ 343,946	\$ 310,308	\$ 421,430	\$ 102(2)	\$ 1,840(2)	\$ 301,308	\$ 583	\$ 178,023
\$ 343,946												
\$ 593,359												
\$ 1,456,250												
\$ 50,120												
\$ 1,236,024												
\$ 9,027,281												
\$ 87,981												
\$ 5,203												
\$13,112,684	\$ 129,717	\$ 904,409	\$ 9,800,000	\$23,946,810	Total	\$23,946,810	\$23,946,810	\$ 826,073	\$ 469,962	\$ 34,000(1)	\$ 102(2)	\$ 301,308
					Operating—Water	862,519	862,519	\$ 20,118	\$ 469,962	\$ 34,000(1)	\$ 102(2)	\$ 301,308
					Operating—Power	593,359	593,359	183,779	77,447			
					Reconstruction and Replacement	1,456,250	1,456,250	16,292	9,930			
					Bond Interest and Redemption	50,120	50,120					
					1932 Bonds	1,236,024	1,236,024	21,933	1,456,250(5)			
					1942 Water Works Bonds	14,827,281	14,827,281	22,300	22,628(4)			
					1947 Water Bonds	4,087,981	4,087,981	178,000				
					1949 Cherry Valley Dam Bonds	5,203	5,203					
					Water Supply Real Property							
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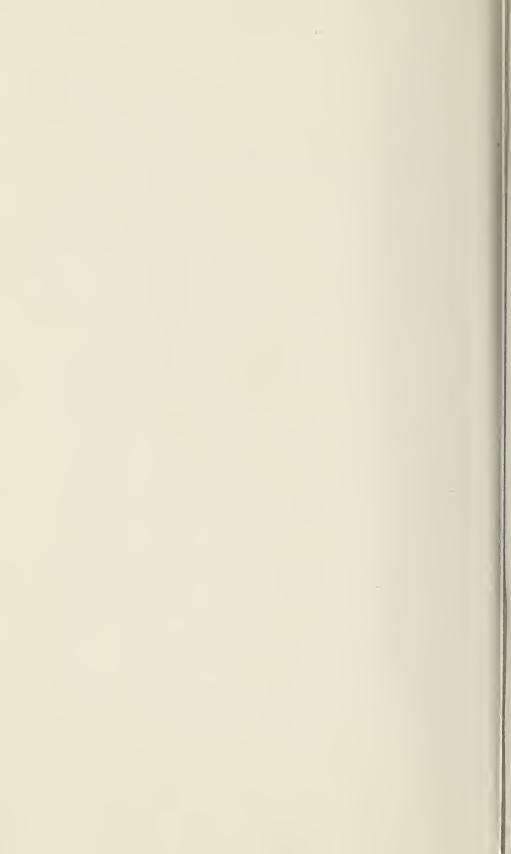
1) Funds reserved for
2) Cash in transit.

1) Funds reserved pending effective date of appropriation ordinance.

Unsold Bonds.

+ Unamortized Bond Premiums.

(5) Appropriation for Bonds and Interest
(6) Reserve for receivables,
(7) Federal grant and offsetting reserve.



Treasurer's Office



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1950

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER
TREASURER'S OFFICE
REPORT ON EXAMINATION OF ACCOUNTS
For the Fiscal Year Ended June 30, 1950

September 21, 1950

Mr. Harry D. Ross, Controller,
 City and County of San Francisco.

Dear Sir:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination was made of the accounts of the Treasurer's Office for the fiscal year ended June 30, 1950.

The Mayor appointed Mr. John J. Goodwin as Treasurer, on December 22, 1947, to fill the unexpired term of office (to January 8, 1950) of the former Treasurer, Thomas K. McCarthy, deceased. At the election held November 8, 1949, Mr. Goodwin was elected for a four year term beginning January 8, 1950.

Mr. David F. Supple, Consultant-Statistician to the Grand Jury, participated in this examination.

As directed by you, two reports have been prepared of this examination, as follows:

- (1) One report for publication in the Controller's Annual report for the fiscal year ended June 30, 1950, the text of which follows.
- (2) One report substantially identical with the above, supplemented by detail exhibits and an appendix containing a digest of changes in laws affecting the Treasurer. Copies of this report were distributed to City and County Officials, the Grand Jury, the press and to certified public accounting firms engaged this year by the City and County of San Francisco.

AUTHORITY

The Treasurer's office is conducted under the provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors.

Laws governing the operation of the Treasurer's office are outlined in previous annual audit reports. Changes and additions thereto during the fiscal year 1949-1950 are included in the report with exhibits attached.

Annual and continuing ordinances pertaining to financial transactions in connection with the operation of the office during the fiscal year 1949-1950 are cited as follows:

Date	Bill* or File Number	Ordinance Number	Subject Matter
March 14, 1932	- 37*	5023	Payroll Procedure
May 20, 1941	- 1233*	1184	Fiscal Agent—New York
April 16, 1947	- 4641*	4376	Bond Ordinance—Treasurer
March 15, 1948	- 5216*	4915	Bond Ordinance—Employees
June 8, 1949	- 3621	5551	Annual Appropriation Ordinance
June 15, 1949	- 3619	5558	Annual Salary Ordinance
August 16, 1937	Resolution	3469	Deposit of Funds
June 12, 1942	Resolution	2666	U. S. Savings Bonds (Payroll Allet
June 8, 1944	Resolution	3786	U. S. Savings Bonds (Sales Fund)
Municipal Code, Part I, Sec. 103 to 424			Purchasing Procedure

SCOPE OF EXAMINATION

The scope of the examination included a verification of the accounts and records maintained by the Treasurer, as hereinafter reported. In view of the existing method of internal check maintained in the Treasurer's office and the method of internal check and continuous audit of receipts and disbursements maintained by the Controller, a detailed audit of receipts and disbursements was not included within the scope of this examination.

Cash on hand June 30, 1950, was verified by count. Cash on deposit in banks in the amount of \$101,859,460.29, as shown by the Treasurer's records, was reconciled with bank statements and confirmed by the several depositaries. The total cash was reconciled with Controller's records.

Securities and other assets in the custody of the Treasurer were examined, counted, and verified as to statutory requirements.

Revenues and expenditures in connection with the operation of the Treasurer's office were reviewed and compared with the Controller's records.

The Treasurer's office is the depositary of funds of the Islais Creek Reclamation District. An examination of the accounts and records of the Islais Creek Reclamation District was not included within the scope of this assignment.

CASH—\$102,871,945.88 (Exhibit A)

Cash on hand, cash in banks, and other items representing cash were verified at the close of business June 30, 1950. The total cash verified agreed with the amount charged to the Treasurer by the Controller on that date, as indicated in the following summary:

Cash on hand:

Coin and Currency	\$	375,884.70	
Checks on hand for deposit		225,040.32	\$ 600,925.02

Cash in banks:

Active Accounts	\$55,314,460.29	
Inactive Accounts	46,545,000.00	101,859,460.29

U. S. Bonds:

Bail deposits		102,450.00
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TOTAL CASH, CASH ITEMS VERIFIED—JUNE 30, 1950.....\$102,562,835.31

Cash and cash items received after June 30, 1950, and applied to the fiscal year 1949-1950.....	309,110.57
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TOTAL CASH AND CASH ITEMS—AS AT JUNE 30, 1950.....\$102,871,945.88

TOTAL PER CONTROLLER'S RECORDS—

AS AT JUNE 30, 1950.....	\$102,871,945.88
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Consisting of:

CURRENT FUNDS

General City	\$31,668,678.29	
Public Service Enterprises	6,462,932.60	
General City—Bond Interest Funds.....	16,249.00	
Public Service Enterprises—Bonds Interest Funds	999,283.75	
General City—Bond Redemption Funds.....	8,000.00	
Public Service Enterprises—Bond Redemption Funds	2,032,300.00	
TOTAL CURRENT FUNDS		\$ 41,187,443.64

CAPITAL FUNDS

General City Funds	\$33,149,920.95	
Public Service Enterprises.....	17,273,201.04	
TOTAL CAPITAL FUNDS		50,423,121.99

SPECIAL AND TRUST FUNDS

Private Trust Funds	\$ 1,394,142.14	
Public Trust Funds	9,260,775.40	
Assessment and Redemption Funds	12,343.55	
Other Special and Trust Funds	594,119.16	
TOTAL SPECIAL AND TRUST FUNDS.....		11,261,380.25
TOTAL		\$102,871,945.88

Reconciliation of the Controller's available cash as at June 30, 1950, and the Treasurer's balance of cash on hand on that date is as follows:

Per Controller's Ledger Balance:

Available Cash	\$ 94,763,118.49
Outstanding Items	8,108,827.39

Treasurer's Cash on hand—June 30, 1950.....\$102,871,945.88

According to the records of the Controller's Division of Accounts and Reports, the outstanding items indicated above consist of:

	Matured and Unpaid			Total
	Coupons	Bonds	Warrants	
General City	\$16,249.00	\$ 8,000.00	\$6,180,709.86	\$6,204,958.86
Public Service Enterprises	70,533.75	32,300.00	1,801,034.78	1,903,868.53
Total	\$86,782.75	\$40,300.00	\$7,981,744.64	\$8,108,827.39

Coin and Currency—\$375,884.70

Coin and currency in the above amount were verified by count.

Checks on hand for deposit—\$225,040.32

Examination indicated all checks on hand were of current date and appeared to have been received in the usual order of business during the day. Checks in the amount reflected above were deposited on the next business day in the Bank of America as evidenced by deposit receipts on file.

Cash in Banks—\$101,859,460.29

Cash on deposit in banks at the close of business June 30, 1950, is summarized as follows:

Bank	Inactive Accounts	Active Accounts	Total	Percent
American Trust Co....	\$ 4,000,000.00	\$ 4,001,782.60	\$ 8,001,782.60	7.85%
Anglo California National Bank ..	7,375,000.00	7,374,900.29	14,749,900.29	14.50%
Bank of America.....	26,120,000.00	33,542,043.11	59,662,043.11	58.59%
Bank of Canton.....	400,000.00	400,000.00	800,000.00	.78%
Bank of Montreal....	500,000.00	500,000.00	1,000,000.00	.98%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.27%
Crocker First National Bank....	500,000.00	999,873.60	1,499,873.60	1.47%
Pacific National Bank	500,000.00	500,000.00	1,000,000.00	.98%
San Francisco Bank	2,500,000.00	2,500,000.00	5,000,000.00	4.90%
Well Fargo Bank & Union Trust Co.	4,000,000.00	4,845,860.69	8,845,860.69	8.68%
Total Cash in Banks	\$46,545,000.00	\$55,314,460.29	\$101,859,460.29	100.00%

Resolution No. 3469 of the Board of Supervisors, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements as required by law for the deposit of funds under his jurisdiction and to determine the amounts that shall be deposited in either active or inactive accounts.

Government Code (1949 Supplement) Article II, Deposit of Funds, Section 53638, reads in part as follows:

"Maximum deposit. The deposit shall not exceed the paid-up capital, exclusive of reserve and surplus, of any depository."

The amount on deposit in the several banks are within this limitation.

All funds on deposit in banks are covered by collateral securities of Federal, State and other Governmental issues as required by Government Code, Article II, Section 53651, as further detailed hereinafter.

Cash confirmed directly as on deposit in banks at the close of business June 30, 1950, was reconciled with the Treasurer's ledger balances. Exhibit A-1 of report with exhibits attached, indicates the balances of each account per bank confirmation, as at June 30, 1950, and its status with respect to the various sections of Government Code, Article II, Deposit of Funds.

Cash on deposit in banks in inactive accounts at the close of business June 30, 1950, was further evidenced by Certificates of Deposits on hand with the Treasurer as follows:

Cert. No.	Date	Bank	Amount	Int. Rate	Payable on Demand
154	1- 1-50	American Trust Co.....	\$ 4,000,000.00	1%	30 Days
148	1- 1-50	Anglo Calif. National Bk.....	6,625,000.00	1%	60 Days
149	1- 1-50	Anglo Calif. National Bank.....	750,000.00	1%	60 Days
150	1- 1-50	Bank of America.....	20,300,000.00	1%	30 Days
159	4- 1-50	Bank of America.....	5,000,000.00	1 1/8%	1 Year
151	1- 1-50	Bank of America.....	750,000.00	1%	30 Days
152	1- 1-50	Bank of America.....	70,000.00	1%	30 Days
162	6-24-50	Bank of Canton.....	400,000.00	1%	90 Days
146	10- 4-49	Bank of Montreal.....	500,000.00	3/4 of 1%	30 Days
153	12- 9-49	Canadian Bank of Commerce.....	650,000.00	1%	30 Days
155	2- 1-50	Crocker First Nat. Bank.....	500,000.00	1%	30 Days
158	3-16-50	Pacific National Bank.....	500,000.00	1%	30 Days
161	6-14-50	San Francisco Bank.....	500,000.00	1%	30 Days
157	2-15-50	San Francisco Bank.....	1,000,000.00	1%	30 Days
160	4-26-50	San Francisco Bank.....	1,000,000.00	1%	30 Days
156	2-14-50	Wells Fargo Bank & Union Trust Company.....	4,000,000.00	1%	30 Days
Total			<u>\$46,545,000.00</u>		

Each of the deposit agreements covering the above inactive accounts is in compliance with Government Code Section 53643, which reads:

"Term deposits: Maximum term. The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

The deposit agreements, and the collateral securities listed therein, were approved by the City Attorney and Treasurer, in accordance with Section 53656 of the Government Code.

In reconciling bank statement with the Treasurer's records, it was noted that the following check drawn by the Treasurer on the Bank of America was outstanding at the date of the cash count:

Check No.	Date	Payee	Amount
32652	Dec. 20, 1944	Harry Ballard.....	\$50.00

According to the Treasurer, the check was issued to cover a refund of Municipal Court Bail (Controller's No. 43833). From information received, Mr. Ballard was a Marine in the last war and was last reported in the Pacific.

According to the opinion of the City Attorney, dated December 1, 1949:

"the legal obligation represented by the outstanding check in favor of Mr. Ballard may not be removed from the check register until such time as action may be taken pursuant to the provision of Section 4087b of the Political Code to transfer the money to the general fund of the City and County of San Francisco—that is, until such money has remained unclaimed for a period of ten years."

U. S. Bonds (Bail Deposits) \$102,450.00

U. S. Bonds having a par value of \$102,450.00 represent deposits with the County Clerk and the Municipal Court as bail. The bonds on hand at the date of the cash count agreed with the amount charged to the Treasurer by the Controller as indicated in the Controller's records. Of the above amount, Court Orders for the release of nineteen bonds totaling \$4,050.00 were validated for payment by the Controller, but not presented to the Treasurer for payment as at June 30, 1950.

Cash Received after June 30, 1950, and applied to 1949-1950— \$309,110.57

This amount represents collections made by various city and county departments pertaining to transactions prior to the close of business June 30, 1950, and deposited with the Treasurer July 1, 3, and 5, 1950. The verification of the \$309,110.57 was included in a subsequent cash count dated July 31, 1950.

SECURITIES \$192,139,226.50 Par Value (Exhibit A)

Securities in the custody of the Treasurer were examined and verifications made as hereafter reported. All securities, except collateral securities deposited by banks, and discussed hereinafter, are held in the joint custody vault of the Treasurer and Controller. The total par value of the securities for which the Treasurer was chargeable as at June 30, 1950, is indicated in the following summary.

Securities charged to the Treasurer by the Controller:

<u>Bonds</u>	<u>Par Value</u>	<u>Controller's Book Value</u>
Employees' Retirement System.....	\$ 77,306,937.50	\$ 77,764,719.52
Bequest and Trust Funds.....	377,000.00	378,289.38
Deposits on Leases.....	106,250.00	106,250.00
<u>Corporate Stock</u>		
Bequest Funds	39.00	2,094.25
Deposits on Leases	6,000.00	6,000.00
Total Securities Charged to the Treasurer by the Controller.....	\$ 77,796,226.50	\$ 78,257,353.15

Securities not charged to the Treasurer by the Controller:

	<u>Par Value</u>	<u>Market Value</u>
Collateral Securities Deposited by Banks—Bonds	\$114,343,000.00	\$117,348,217.18
Total Securities accounted for by the Treasurer—June 30, 1950.....	\$192,139,226.50	\$195,605,570.33

Employees' Retirement System Bonds—Par Value—\$77,306,937.50

Verification by physical inspection was made as at June 30, 1950, in conjunction with representatives of Joseph Froggatt & Co., Inc., engaged for this year's audit of the Employees' Retirement System. A detailed list of securities examined showing total par value of \$77,306,937.50, is in the work papers covering this audit.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and checked by the Controller's Division of Accounts and Reports, and released to the Treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in memorandum dated August 8, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The par value of bonds totaling \$77,306,937.50 as at June 30, 1950, was confirmed from the Controller's records and schedule submitted by the Employees' Retirement Board.

Accountability for securities as at June 30, 1950 was established as follows:

Par value of securities in joint custody vault, June 30, 1950, counted and examined.....	\$76,816,937.50
Interim Certificates, New England Tel. & Tel. Co., 3% 25 year Debentures, Due March 15, 1974, removed from the vault June 10, 1950 for delivery to the Bank of America for exchange for coupon bonds. Receipt from Bank of America is on file in lieu of certificates.....	490,000.00
Total par value bonds accounted for.....	\$77,306,937.50
Total par value per Retirement System's record, June 30, 1950.....	\$77,306,937.50

Transactions during the fiscal year, summarized from the Controller's records,
are as follows:

Par Value Bonds:

On hand July 1, 1949, per Annual Audit Report.....	\$65,571,025.00
Purchased during the fiscal year 1949-1950.....	11,754,000.00
	\$77,325,025.00

Less:

Sold, Called or Matured during the year.....	18,087.50
--	-----------

Par value bonds on hand June 30, 1950, per Retirement System's Records	\$77,306,937.50
---	-----------------

Bequest and Trust Funds—Par Value Bonds \$377,000.00

Bonds having a total par value of \$377,000.00, together with unmatured interest coupons attached, were examined and verified in amount with balances reflected by the Controller's records. Except for the sale of a U. S. Treasury Bond for \$1,000.00 by the Phelan Bequest and the maturity of a Central Pacific Railway Company's bond for \$1,000.00 held by the Panama Pacific Exposition Trust, which was replaced by the purchase of a Southern Counties Gas Company's bond for a like amount, no other transactions affecting the Bequest or Trust Funds were made during the fiscal year.

The collection of interest on bequest and trust fund investment bonds is verified monthly by the Controller's Division of Accounts and Reports; the verification was not duplicated for this examination.

Bequest Funds—Corporate Stock—Par Value \$39.00

Corporate Stock par value \$39.00, and having a book value of \$94.25, representing a part of the assets of the August Brunetti Bequest; and corporate stock with no par value, book value \$2,000.00, representing the Llewella F. Lewis Bequest, were examined and verified in amount with the Controller's records. Detail in connection therewith is reflected on Exhibit A-2, of report with exhibits attached. The Controller's General Ledger indicates receipt of dividends in the amount of \$168.80 on the above Bequest Fund Corporate Stock.

Deposits on Leases—Par Value Bonds \$106,250.00— Corporate Stock—\$6,000.00

U. S. Treasury Bonds having a par value of \$106,250.00 and Common Stock having a par value of \$6,000.00 represents deposits held by the Treasurer as security on leases of City and County property. Details in connection therewith are reflected on Exhibit A-2, of report with exhibits attached.

According to information received from the Park Commission's Office, the lease on the Lake Merced Concession expired June 30, 1950, and the \$1,500.00 U. S. Treasury Bonds held as a deposit on the lease were returned to the lessee, Chas. A. Kay and M. M. Shrum. File No. 5790, Ordinance No. 6096, approved June 23, 1950, provides for a 5 year lease of the Lake Merced Concession to The Lake Merced Company commencing July 1, 1950. The Park Commission's office advised that they are holding \$1,500.00 par value bonds as security on the lease but have not deposited the same with the Treasurer on account of certain pending adjustments in connection with the lease which have not been made.

Collateral Securities—Par Value \$114,343,000.00

Collateral securities are filed in the Treasurer's vault in metal boxes according to bank accounts which they represent. The \$114,343,000.00 represents the par value of bonds submitted by the several depositories and held by the Treasurer as collateral, pursuant to Government Code Section 53651. All bonds and coupons attached thereto were examined. Schedules thereof were confirmed direct to the Controller by the several depositories.

All bonds on hand conform to the collateral requirements and approvals, as provided in Government Code Section 53655, for active deposits, and Section 53656, for inactive deposits. Section 53657, reads in part as follows:

"The market value of notes, bonds, or registered warrants securing inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the notes, bonds, or registered warrants."

The market value of collateral was more than 10% in excess of the amount of each deposit, except deposit made in the Bank of Montreal which is computed at 9.97%, as indicated on Exhibit A-1, of report with exhibits attached.

The individual bank balances and collateral securities as at June 30, 1950, are shown on Exhibit A-1 of report with exhibits attached, and summarized as follows:

Bank Balances:

Treasurer's Bank Balance.....	\$101,859,460.29
Items in Transit.....	306,627.29
Balance per Bank Confirmations.....	<u>\$102,166,087.58</u>

Collateral Securities Deposited:

Par Value	<u>\$114,343,000.00</u>
Market Value	<u>\$117,348,217.18</u>

Agreements which incorporate a list of collateral securities pertaining to the deposit of public funds and written consents for release or exchange of securities were approved by the Treasurer and City Attorney. Examination of active deposit agreements, in many instances, reflected the absence of the bank's corporate seal on agreements and resolutions attached thereto. Reference is made to the opinion dated September 21, 1948, by N. A. Blichfeldt, Attorney for the Controller, which reads in part as follows:

"Every corporation may: (b) Adopt, use, and at will alter, a corporate seal, but failure to affix a seal does not affect the validity of any instrument . . ."

AUTHORIZED CITY AND COUNTY BONDS (UNISSUED)—\$96,170,000.00

The following bonds were authorized by the voters at elections held on dates indicated. Transactions since the date of authorization are summarized as follows:

		Sold		
	Total Authorized	Prior to 1949-50	During 1949-50	Unissued June 30, 1950
Authorized November 6, 1945				
Airport.....	\$ 20,000,000	\$17,500,000	\$ 1,390,000	\$ 1,110,000
Authorized November 4, 1947				
Street Improvement	\$ 22,850,000	\$ 3,000,000	\$ 7,600,000	\$12,250,000
Municipal Ry. Rehab.....	20,000,000	14,900,000	2,050,000	3,050,000
Hetch Hetchy Water.....	25,000,000	10,700,000	8,500,000	5,800,000
Market St. Ry. Refin.....	2,200,000	1,950,000		250,000
Recreation.....	12,000,000	2,350,000	1,280,000	8,370,000
Off-Street Parking	\$ 5,000,000			\$ 5,000,000
Authorized June 1, 1948				
Juvenile Court and Detention Home	\$ 2,750,000	\$ 1,825,000	\$ 925,000	
Sewage Treatment	15,000,000		10,550,000	\$ 4,450,000
Authorized November 2, 1948				
Schools.....	\$ 48,890,000	\$ 7,000,000		\$41,890,000
Authorized November 3, 1949				
Airport	\$ 10,000,000			\$10,000,000
Cherry Valley Dam.....	4,000,000			4,000,000
	\$187,690,000	\$59,225,000	\$32,295,000	\$96,170,000

Unissued bonds in the amount of \$96,170,000.00 reflected above are not charged to the Treasurer but reflected on the funding general ledger of the Controller, in Account 4785—Unsold Bonds—Face Value.

It is the practice of the Treasurer to order the printing of bonds only when a sale has been authorized by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT—NEW YORK

Bill No. 1233, Ordinance No. 1184, approved May 20, 1941, designates the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of the principal and interest due on bonds issued by the City and County of San Francisco, and provides for the rates of compensation of said fiscal agent.

Transactions reported by the Fiscal Agent during the fiscal year 1949-1950 were reviewed. Bonds and coupons paid by the Fiscal Agent were verified against the Controller's records and confirmed direct to this office by the National City Bank. Compensation of \$9,922.88 paid the National City Bank was verified as being properly computed, and consisted of:

	Par Value	Compensation	
		Rate	Amount
Bonds	\$5,560,800.00	1/20 of 1%	\$2,780.40
Coupons (178562)	2,777,213.75	4c each	7,142.48
Total	\$8,338,013.75		\$9,922.88

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 1, 1942. In addition, bonds were purchased for employees upon the deposit of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

In accordance with Controller's Departmental Instructions No. 343 dated June 15, 1950, effective June 1, 1950, all United States Savings Bonds undelivered and on hand with the Controller were returned to the Treasurer for redeposit with the Federal Reserve Bank. Refund of purchase price on said bonds, according to letter on file from the Controller's Payroll Division, dated June 5, 1950, was \$42,750.00. The Treasurer deposited check No. 2,273,671 of the Federal Reserve Bank in the amount of \$42,750.00 to the credit of War Bond Account, June 19, 1950. Thereafter, the United States Savings bonds were handled by the Treasurer in accordance with Departmental Instructions No. 343.

The total bonds purchased by the Treasurer for City and County employees is shown in the following summary:

<u>Purchases</u>	<u>Total</u>
Prior to July 1, 1949.....	\$4,522,041.50
During the fiscal year ended June 30, 1950.....	660,975.00
Total to June 30, 1950.....	<u>\$5,183,016.50</u>

United States Savings Bonds in the amount of \$558,712.50, purchased by the Treasurer during the fiscal year to and including May 19, 1950, were delivered to the Controller, as evidenced by the Controller's receipts on file. Bonds purchased by the Treasurer May 31, 1950, in the amount of \$23,512.50 were delivered to and receipted for by department heads for employees as provided for under the new procedure. The receipts on file were verified. Controller's warrants issued in June 1950 in the total amount of \$78,750.00 for the purchase of bonds were delivered to the Federal Reserve Bank prior to June 30, 1950; the bonds were received by the Treasurer subsequent to the date of the audit.

The accumulated cash on hand with the Treasurer for the purchase of bonds for future delivery amounted to \$23,543.72.

REVENUES AND EXPENDITURES

Revenues and expenditures of the Treasurer's office for the fiscal year under review are compared with the preceding fiscal year as follows:

	1949-1950	1948-1949
Revenues (derived through the operation of the Treasurer's office)	\$443,720.15	\$333,590.09
Expenditures and Encumbrances	92,051.59	84,142.58
Excess of Revenues over Expenditures.....	<u>\$351,668.56</u>	<u>\$249,447.51</u>

A detailed five-year comparative statement of revenues and expenditures is reflected on Exhibit B of report with exhibits attached.

Revenues—\$443,720.15

Operating revenues collected by the Treasurer during the fiscal year 1949-1950, as compared with those of the preceding year, are summarized from the Controller's records as follows:

	1949-1950	1948-1949
Interest earned on inactive bank deposits of		
General Fund	\$418,525.77	\$305,674.64
Commissions on Inheritance Tax collections.....	25,023.38	27,656.95
Duplicate "Inheritance Tax Receipt" fees.....	54.00	52.50
Conscience Money	117.00	206.00
	<u>\$443,720.15</u>	<u>\$333,590.09</u>

Interest Earned on Deposit of General Funds—\$418,525.77

With respect to interest earned on Treasurer's inactive deposits, the following authority is quoted:

Government Code—Section 53647: Payment of interest into General Fund of local agency:

"Interest on all money deposited belongs to, and shall be paid quarterly into the general fund of, the local agency represented by the officer making the deposit unless otherwise directed by law."

Charter—Section 82: Receipts, Custody and Deposit of Funds:

"All interest on moneys so deposited shall accrue to the benefit of the city and county, except that interest derived from the deposit of any bond, utility, pension, trust or other funds created for a special purpose shall accrue to such fund. Public money, other than that of the city and county, coming into the hands of the treasurer shall be kept as provided by law."

The deposits of public moneys are regulated by the State Legislature (Section 16½, Article XI, of the State Constitution).

The Annual Appropriation Ordinance of 1949-1950 estimated interest revenue of \$400,000.00 for the General Fund; \$10,000.00 for the San Francisco Water Operating Fund; and \$10,000.00 for the Municipal Railway Operating Fund.

Bank interest earned in the amount of \$448,161.15 on all Treasurer's inactive deposits during the fiscal year was computed and verified in amount with deposits of interest as reflected by the Controller's records. The total of \$418,525.77, credited to the General Fund, is reflected in the following comparative summary of total interest earned on all funds.

Funds	1949-1950	1948-1949	Per Cent Increase
General Funds	\$418,525.77	\$305,674.64 (1)	36.92%
Municipal Railway Funds	13,935.35	12,752.54	9.28%
Total Unapportioned Bank Interest	\$432,461.12	\$318,427.18	35.81%
Water Operating Funds	15,000.06	13,094.14	4.56%
Islais Creek Rec. Dist.	699.97	611.07	14.55%
	\$448,161.15	\$332,132.39	34.93%
Less: Prior year's earnings ..		466.19 (1)	.....
Total earnings for the fiscal year.....	\$448,161.15	\$331,666.20	35.12%

The total unapportioned bank interest in the amount of \$432,461.12 was earned on various balances which were not specifically identified as to source of the City and County funds. The amount was distributed to the General Fund and the Municipal Railway on a prorata of average quarterly balances as computed by the Treasurer's office.

The credit of \$15,000.06 to the Water Operating Fund was earned by two accounts maintained specifically in the name of the San Francisco Water Department.

The credit of \$699.97 to the Islais Creek Reclamation District was earned on a specific account maintained for the District.

Interest received during the fiscal year on average daily deposits was earned at the following rates:

\$ 1,767.13	@ 1½%
5,414.45	@ ¾%
384,729.54	@ 1%
56,250.03	@ 1½%

\$448,161.15

An account was opened with the Bank of America on April 1, 1949, under Deposit Agreement No. 284, for one year and renewed under Deposit Agreement No. 302 for the ensuing year. The \$5,000,000.00 deposited in this account earned interest in the amount of \$56,250.03 at the rate of $1\frac{1}{8}\%$ during the year.

During the fiscal year, the following depositories increased their rates of interest on inactive accounts as follows:

Effective October 1, 1949

Bank of Montreal from $\frac{1}{2}\%$ to $\frac{3}{4}\%$

Effective December 1, 1949

Canadian Bank of Commerce from $\frac{1}{2}\%$ to 1%

Effective March 1, 1950

Pacific National Bank from $\frac{3}{4}\%$ to 1%

All other bank deposits earned interest at the rate of 1% throughout the year.

The total funds on deposit in inactive bank accounts at June 30, 1950, subject to interest, amounted to \$46,545,000.00, as compared to \$43,895,000.00 on June 30, 1949.

Inactive deposits in banks, scheduled heretofore in the amount of \$46,545,000.00, represents 45.69% of the total deposits in banks amounting to \$101,859,460.29 which was drawing interest as at June 30, 1950.

Commissions on Inheritance Tax Collections—\$25,023.38

The California Inheritance Tax Act, (Revenue and Taxation Code Section 14797) reads in part as follows:

"The maximum commissions that may be retained by the county treasurer out of the total inheritance taxes paid to and accounted for by him in any one calendar year is as follows:

(b) By county treasurer of a county of the second class, \$40,000.00."

Commissions of \$25,023.38 were retained by the Treasurer for the fiscal year 1949-1950, and credited to the General Fund of the City and County of San Francisco, as compared with commissions of \$27,656.95 for the preceding year.

The records maintained by the Treasurer for Inheritance Tax purposes require the use of State controlled pre-numbered forms, and are subject to periodic settlement (every two months), and to detailed audits thereof by the State Controller's office; therefore a detailed audit of the accounts was not duplicated. However, Inheritance Tax Collections recorded on the Treasurer's records in the total of \$3,164,629.19, as hereinafter detailed, were verified against deposits shown on the Controller's records for the same period and commissions of \$25,023.38 were confirmed directly with the State Controller.

The inheritance tax commissions of \$25,023.38, earned during 1949-1950, are summarized by settlements, as follows:

Months of	Distribution				
	Total Collections	Refunds	Appraiser's Fees	Com-missions	Amount due the State
June-July, 1949..	\$ 581,421.97	\$ 45,004.40	\$ 3,366.62	\$ 4,435.73	\$ 528,615.22
Aug.-Sep., 1949..	749,837.59	7,371.10	812.69	1,621.87	740,031.93
Oct.-Nov., 1949..	308,564.74	9,095.64	4,179.87	2,500.00	292,789.23
Dec.-Jan., 1950..	612,872.42	14,878.14	3,324.72	7,715.24	586,954.32
Feb.-Mar., 1950..	471,862.32	24,897.05	2,485.63	4,353.35	440,126.29
Apr.-May, 1950..	440,070.15	7,817.60	1,680.39	4,397.19	426,174.97
Total	\$3,164,629.19	\$109,063.93	\$15,849.92	\$25,023.38	\$3,014,691.96

Duplicate "Inheritance Tax Receipts" fees \$54.00

A fifty-cent fee is charged by the Treasurer for issuing duplicate receipts for inheritance tax as prescribed by Section 14144 of the Revenue and Taxation Code. The collection and deposit of this fee is subject to the Controller's prescribed revenue procedure, and is currently audited by the Controller's General Office. Deposit of fees to general fund was verified against the Controller's records.

Conscience Money—\$117.00

This amount represents remittances deposited with the Treasurer as conscience money from unidentified sources.

Expenditures and Encumbrances—\$92,051.59

Exhibit B of report with exhibits attached, reflects a comparison of expenditures and encumbrances of the Treasurer's office for the fiscal year 1949-1950 and four prior years.

Expenditures and encumbrances from appropriations to the Treasurer's office for the fiscal year 1949-1950, are summarized from the Controller's records as follows:

Appropriations Direct to Department	Budgeted Appropriations 1949-1950	Appro- priations as Modified	Expenditures and Encumbrances
Permanent Salaries	\$78,426.00	\$76,633.61	\$76,590.86*
Allowance for Overtime	250.00	500.00	499.01
Leave Replacements		72.72	
Contractual Service	9,555.00	1,225.00	954.10
Fiscal Agent—N. Y.		9,922.88	9,922.88
Materials and Supplies	1,900.00	2,050.00	2,010.35
Equipment	1,150.00	1,000.00	973.65
Services of other Depts.	1,000.00	1,000.00	975.94
Appropriations to the Department Through the Purchaser of Supplies			
Telephone & Telegraph	175.00	175.00	124.80
Total	\$92,456.00	\$92,579.21	\$92,051.59

*The Treasurer's Appropriation Account showed expenditures for Permanent Salaries in the amount of \$77,630.51, as compared with \$76,590.86 shown by the Controller's records. The difference \$1,039.65 represents the estimated time spent by the Treasurer's employees doing work in connection with State Aid. The State's refund is credited to Permanent Salaries each month by the Controller after cash is received.

Permanent Salaries—\$76,590.86

The 1949-1950 Salary Ordinance, File No. 3619, Ordinance No. 5558, Section 8, provides for employments in the Treasurer's office at rates prescribed therein on a forty hour week basis.

A review of the department's time roll for the period ended June 30, 1950, indicated that employments reported thereon did not exceed the number and amount for each classification as provided by the Annual Salary Ordinance.

Other Expenditures—\$15,460.73

Expenditures made from other appropriations, in the amount reflected above, for current operations of the Treasurer's office during the fiscal year 1949-1950 were audited currently by the Controller's General Office, and such audit was not duplicated in this examination.

Examination by test check of expenditure vouchers indicated that the purchasing procedure followed was in conformity with Bill No. 76, Ordinance No. 9,8061 (Codified as Sections 103 to 124 inclusive, Part 1 of the Municipal Code).

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit E of report with exhibits attached.

COMMENT

The records maintained in the Treasurers' office appear to be in order and systematically arranged to furnish all desired information.

All information requested was made available through the courtesy and co-operation of the Treasurer and his staff during the course of the audit.

Respectfully submitted,
General Audit Division
Martin W. Judnich
B-14 Senior Accountant (Field Audits)

EXHIBIT A SUMMARY OF CASH AND SECURITIES

	AS AT JUNE 30	
	1950	1949
Cash:		
On deposit in treasury.....	\$ 600,925.02	\$ 1,108,757.76
On deposit in banks.....	101,859,460.29	86,396,268.27
Available cash	102,460,385.31	87,505,026.03
U. S. Bonds (par value) Bail Deposits.....	102,450.00	105,100.00
Cash received after June 30, and applied to fiscal year under review.....	309,110.57	289,780.93
Total cash	102,871,945.88	87,899,906.96
Securities (par value bonds):		
Collateral from banks	114,343,000.00	100,453,000.00
Employees' Retirement Fund	77,306,937.50	65,571,025.00
Bequest Funds	362,000.00	363,000.00
Panama Pacific Exposition Trust Fund.....	15,000.00	15,000.00
Deposits on leases	106,250.00	107,750.00
Securities (par value corporate stock):		
Bequest Funds	39.00	26.50
Deposits on leases	6,000.00	6,000.00
Total Securities	\$192,139,226.50	\$166,515,801.50
Total Cash and Securities	\$295,011,172.38	\$254,415,708.46
Treasurer's Liability for:		
Cash	\$102,871,945.88	\$ 87,899,906.96
Securities	192,139,226.50	166,515,801.50
Total Treasurer's Liability for Cash and Securities	\$295,011,172.38	\$254,415,708.46

San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
●
REPORT
ON THE EXAMINATION OF ACCOUNTS
FOR THE YEAR ENDED
JUNE 30, 1950

John F. Forbes and Company

Certified Public Accountants

CROCKER BUILDING, SAN FRANCISCO 4, CALIFORNIA

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated June 5, 1950, we have examined the consolidated balance sheet of the San Francisco Water Department and Hetch Hetchy Water Supply and Power Project as of June 30, 1950, and the related consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the consolidated financial position of the San Francisco Water Department and Hetch Hetchy Water Supply and Power Project at June 30, 1950, and the consolidated results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except that during the year under review, the Water Department commenced billing a majority of its customers on a bimonthly basis instead of the former monthly basis. As revenue from water sales is not recorded until billings are made, such revenue for the year ended June 30, 1950, is estimated to be \$218,994 less than if all billings had been continued on a monthly basis.

Our report, program, and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

We present the following exhibits and schedules:

Exhibit

A—Balance Sheets, June 30, 1950, and Consolidation.

B—Statements of Income for the Year Ended June 30, 1950, and Consolidation.

Schedule

1—San Francisco Water Department—Statement of Operating Expenses.

2—Hetch Hetchy Water Supply and Power Project—Statement of Operating Expenses.

C—Statements of Surplus for the Year Ended June 30, 1950, and Consolidation.

D—Statements of Surplus Cumulative to June 30, 1950, and Consolidation.

In addition we submit the following comments:

NET INCOME

OPERATIONS

A condensed statement of consolidated net income for the year ended June 30, 1950, is set forth below:

Operating revenues:	
Water sales	\$10,151,099.50
Power sales	3,322,439.95
Total operating revenues	\$13,473,539.45
Operating expenses, including depreciation	7,143,592.39
Operating income	\$ 6,329,947.06
Other income— Net	186,667.73
Total	\$ 6,516,614.79
Bond interest	2,980,134.91
Net income	\$ 3,536,479.88

WATER SALES

The following statistics taken from data maintained by the Water Department reflect the expansion of facilities and service which have occurred during the last five years:

	June 30				
	1950	1949	1948	1947	1946
Number of active accounts:					
San Francisco district.....	144,279	142,497	140,423	136,865	133,826
Suburban districts	801	724	720	729	699
Total	145,080	143,221	141,143	137,594	134,525

	Year Ended June 30				
	1950	1949	1948	1947	1946
Metered deliveries (million cubic feet):					
San Francisco district.....	3,351.7	3,451.7	3,433.4	3,479.2	3,538.6
Suburban districts, including free deliveries under riparian contracts.....	1,267.6	1,213.8	1,070.2	985.3	877.0
Total	4,619.3	4,665.5	4,503.6	4,464.5	4,415.6

As metered deliveries are not recorded until billings are made, the quantity of such deliveries recorded for the year ended June 30, 1950, is less by reason of adoption of bimonthly billing for most consumers as of October 1, 1949. Although no charge for water delivered to various municipal departments has been reflected in the accompanying financial statements, the quantity thereof in the amount of 215.7 million cubic feet has been included in the foregoing tabulation.

POWER SALES

Revenue from power sales is summarized as follows:

Permanente Cement Company.....	\$ 710,411.39
Kaiser Aluminum & Chemical Corporation (formerly The Permanente Metals Corporation).....	71,996.77
Modesto and Turlock Irrigation Districts.....	446,340.00
Pacific Gas and Electric Company.....	211,433.54
City and County of San Francisco:	
Municipal Railway	736,268.69
Street lighting	418,584.48
Other municipal departments	720,252.33
Miscellaneous	7,152.75
Total	\$3,322,439.95

Power is sold to Permanente Cement Company and Kaiser Aluminum & Chemical Corporation under agreements with Pacific Gas and Electric Company which assigned its contracts with these consumers to the Public Utilities Commission of the City and County of San Francisco. The agreements provide that Hetch Hetchy energy will be delivered from Newark on transmission lines and facilities leased from Pacific Gas and Electric Company. The expiration date of the agreements was extended from November 30, 1949, to March 11, 1954.

Sales to the Pacific Gas and Electric Company result from an agreement under which that company undertakes to supply supplementary energy required by the customers of the City as well as the City itself which is in excess of the capacity of the City's plants and, in turn, to receive energy which is in excess of the requirements of the City and its customers.

Another agreement with the Pacific Gas and Electric Company provides for the delivery of Hetch Hetchy energy required for municipal purposes from Newark to the consuming departments.

We were advised that these various agreements conform to the requirements of the Raker Act under which the City is prohibited from letting or selling the right to resell water and power sold by it to any corporation or person other than municipalities or irrigation districts.

GENERAL

Section 64 of the Charter of the City and County of San Francisco requires accounts of municipally owned utilities to show estimates of the amount of taxes for which the utilities would be liable if privately owned. In token of compliance with this provision, the value of water delivered without charge to certain municipal departments, amounting to \$623,844.40 for the year ended June 30, 1950, is recorded in memorandum accounts as revenue with a contra charge to municipal tax expense and has been excluded from the attached Exhibit B. It has been estimated, however, that property taxes within San Francisco for that year would not be less than \$900,000.00.

Under private ownership, these departments would also be liable for additional property taxes outside of San Francisco, Federal income and California franchise taxes, municipal purchase and use taxes, and possibly city franchise taxes or license fees.

Upon completion of the Hetch Hetchy Project, under the provisions of Section 122 of the Charter it is to be merged with the Water Department. In the opinion of the City Attorney, the Hetch Hetchy Project had not been completed at June 30, 1950.

FINANCIAL POSITION

The consolidated financial position of the San Francisco Water Department and Hetch Hetchy Water Supply and Power Project at June 30, 1950, is presented in Exhibit A and summarized below:

Assets

Property	\$142,764,480.32
Cash	17,238,291.80
Accounts receivable	1,073,197.88
Interfund accounts receivable.....	236,063.06
Deferred charges	9,108,170.83
Total	<u>\$170,420,203.89</u>

Liabilities

Bonded debt	\$ 82,878,000.00
Bond interest payable	1,501,246.42
Accounts payable and commitments.....	9,350,977.44
Consumers' deposits and construction advances.....	206,249.50
Interfund accounts payable	465,425.73
Reserves	163,120.04
Deferred credits	25,116.54
Surplus	75,830,068.22
Total	<u>\$170,420,203.89</u>

Reference is made to items appearing above in the following comments:

PROPERTY—\$142,764,480.32

Changes in property and reserve for depreciation accounts during the year are summarized as follows:

	Property	Reserve for Depreciation	Net Book Value
Property in-service:			
Balance, June 30, 1949.....	\$184,170,201.76	\$53,349,145.91	\$130,821,055.85
Additions	10,596,152.27	2,431,602.10	8,164,550.17
Total.....	\$194,766,354.03	\$55,780,748.01	\$138,985,606.02
Deductions—Sales, retirements, etc.	1,703,210.64	1,334,268.15	368,942.49
Balance, June 30, 1950.....	\$193,063,143.39	\$54,446,479.86	\$138,616,663.53
Property under construction:			
Balance, June 30, 1949.....	\$ 7,754,733.04		\$ 7,754,733.04
Additions	5,733,550.00		5,733,550.00
Total.....	\$ 13,488,283.04		\$ 13,488,283.04
Deductions—Construction completed and transferred to property in service.....	9,752,091.25		9,752,091.25
Balance, June 30, 1950.....	\$ 3,736,191.79		\$ 3,736,191.79
Nonoperative—Balance, June 30, 1949 and 1950.....			
	\$ 411,625.00		\$ 411,625.00
Total.....	\$197,210,960.18	\$54,446,479.86	\$142,764,480.32

Additions to property in service are briefly summarized as follows:

Water Department:

Right of way in San Mateo County purchased from Municipal Railway	\$ 365,000.00
Other land purchases	248,525.81
Booster pump—Crystal Springs Reservoir	145,234.03
Additions to city pipe system.....	323,062.27
Other	217,456.58
Total—Water Department	\$ 1,299,278.69

Hetch Hetchy Project:

Sections B, C, and D of San Joaquin Pipeline No. 2.....	\$ 8,766,802.90
Drum gates at O'Shaughnessy Dam.....	256,493.91
Improvements to Moccasin generators	142,413.38
Other	131,163.39
Total—Hetch Hetchy Project.....	\$ 9,296,873.58
Total	\$10,596,152.27

Jurisdiction of the right of way in San Mateo County formerly used for the street railway line running between San Francisco and San Mateo was transferred to the Water Department by resolution of the Board of Supervisors on May 17, 1950, at the estimated value of the property on that date of \$365,000.00. A supplemental appropriation to provide funds for the transfer was passed on July 17, 1950.

Sales, retirements, etc., are as follows:

Water Department:	
Alameda Supply Line	\$ 1,096,933.00
Meters, valves, mains, and services.....	51,884.99
Other	107,862.24
Total—Water Department	\$ 1,256,680.23
Hetch Hetchy Project:	
Hetch Hetchy Railroad	\$ 345,000.00
Other	101,530.41
Total—Hetch Hetchy Project	\$ 446,530.41
Total	\$ 1,703,210.64

Unused portions of the Alameda Supply Line were written down to a nominal value by charging the reserve for depreciation.

All remaining material and equipment of the Hetch Hetchy Railroad having a gross book value of \$345,000.00 and a net book value of \$172,500.00 was sold during the year for \$147,500.00, resulting in a charge to surplus of \$25,000.00.

Changes in property and reserve for depreciation accounts were comprehensively reviewed by us.

Section 128 of the Charter provides that during the fiscal year 1937-38 and at least every five years thereafter, the Public Utilities Commission shall make an appraisal and redetermine the amount of the reasonable annual depreciation for each utility. The Bureau of Engineering of the Public Utilities Commission made an appraisal of Water Department properties as of December 31, 1937, and Hetch Hetchy Project properties as of June 30, 1938. These appraisals were revised as at June 30, 1943. It is our understanding that the utilities audit staff of the Controller is engaged in making an analysis of the property accounts of the Water Department as of June 30, 1948. The analysis of the property accounts of the Hetch Hetchy Project as of June 30, 1948, was completed on September 28, 1950. No adjustments resulting from the foregoing analyses are reflected in this report.

Construction in progress at June 30, 1950, is shown below:

Water Department:	
Bay Division Pipeline No. 3.....	\$ 262,645.05
Sutro Reservoir	259,492.63
City pipe system	167,745.90
Guadalupe Bypass	133,200.56
Other	70,822.99
Total—Water Department	\$ 893,907.13
Hetch Hetchy Project:	
1947 Hetch Hetchy Bond Fund:	
Bay Division Pipeline No. 3.....	\$2,459,102.24
San Joaquin Pipeline No. 2, Section A.....	49,361.55
Other	12,388.40
Interest during construction.....	271,292.35
	\$ 2,792,144.54
Radio installation	44,962.95
Other	5,177.17
Total—Hetch Hetchy Project	\$ 2,842,284.66
Total	\$ 3,736,191.79

Nonoperative property in the amount of \$411,625.00 consisted of the Amazon and Glen Park reservoir sites.

CASH—\$17,238,291.80

ON DEPOSIT WITH TREASURER—

\$17,204,291.80

Cash in the custody of the Treasurer of the City and County of San Francisco is detailed by funds as follows:

Water Department:

Operating fund	\$ 326,626.39
Reconstruction and replacement fund	395,347.55
Extension reserve fund	1,566,157.78
Water works system bond fund, 1942.....	1,236,023.77
Bond interest fund, 1928 issue	483,075.00
Bond redemption fund, 1928 issue	1,013,000.00
Bond interest fund, 1933 issue	1,600.00
Bond redemption fund, 1933 issue	584.26
Real property fund	228,690.77
Total—Water Department	<u>\$ 5,251,105.52</u>

Hetch Hetchy Project:

Operating fund	\$ 741,604.66
Reconstruction and replacement fund	595,358.48
Bond fund, 1932 issue	51,220.18
Bond fund, 1947 issue	9,031,256.56
Bond interest fund	509,543.75
Bond redemption fund	1,019,000.00
Real property fund	5,202.65
Total—Hetch Hetchy Project	<u>\$11,953,186.28</u>
Total	<u><u>\$17,204,291.80</u></u>

The above balances were confirmed to us by other certified public accountants who examined the accounts of the Controller of the City and County of San Francisco.

REVOLVING FUNDS—\$34,000.00

This account is comprised as follows:

	Total	Water Department	Hetch Hetchy Project
Cash in banks	\$15,856.19	\$13,897.10	\$1,959.09
Change and petty cash funds	4,275.10	3,675.00	600.10
Disbursements awaiting reimbursement	13,393.71	11,952.90	1,440.81
Disbursements refused for reimbursement by the Controller	475.00	475.00	
Total.....	<u>\$34,000.00</u>	<u>\$30,000.00</u>	<u>\$4,000.00</u>

Cash in banks was verified by direct communication with the depositaries. Petty cash and change funds were counted or confirmed by certificates obtained from the custodians. Disbursements awaiting reimbursement at June 30, 1950, were subsequently refunded to the custodians of the various funds.

ACCOUNTS RECEIVABLE—\$1,073,197.88

The composition of this account is as follows:

	Total	Water Department	Hetch Hetchy Project
Consumers	\$1,043,890.87	\$915,985.29	\$127,905.58
Less reserve for doubtful accounts.....	4,000.00	4,000.00	
Remainder	\$1,039,890.87	\$911,985.29	\$127,905.58
Other accounts receivable	33,307.01	29,552.76	3,754.25
Total	\$1,073,197.88	\$941,538.05	\$131,659.83

We requested confirmation from a representative group of consumers of the balances owing by them at June 30, 1950. Differences reported were minor and have been adjusted.

Changes in the reserve for doubtful accounts during the year were as follows:

Balance, June 30, 1949	\$4,000.00
Provision for doubtful accounts	2,022.36
Collection of accounts previously written off.....	267.56

Total	\$6,289.92
Less accounts charged off as uncollectible.....	2,289.92
Balance, June 30, 1950	\$4,000.00

Other accounts receivable consist principally of unbilled charges to consumers for service installations, etc.

INTERFUND ACCOUNTS RECEIVABLE—\$236,063.06

This account is summarized as follows:

Other Public Service Enterprises:

Water Department—Hetch Hetchy Project.....	\$ 89,408.25
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Hetch Hetchy Project:

Water Department	\$ 34,535.18
Public Utilities Commission	144,591.52
Municipal Railway	3,773.25
Airport	87,062.06

Total—Hetch Hetchy Project	269,962.01
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Total	\$359,370.26
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Eliminate accounts between Water Department and Hetch Hetchy Project	123,943.43
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Consolidated total—Other Public Service Enterprises	\$235,426.83
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General City and County:

Water Department—Park Department.....	\$ 250.92
Hetch Hetchy Project—Department of Public Works	385.31

Total—General City and County.....	636.23
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Total	\$236,063.06
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The amounts due from other municipal departments were confirmed to us by other certified public accountants engaged in an examination of the records of the Controller's office.

DEFERRED CHARGES—\$9,108,170.83

MATERIALS AND SUPPLIES—\$784,093.24

A physical inventory of materials and supplies of certain divisions of the Water Department of an aggregate value of \$707,764.05 was taken as of May 25, 1950, resulting in an adjustment increasing book inventory by \$14,775.40. We tested the mathematical accuracy and pricing of this inventory. We also made tests of the quantities and observed the procedure of a physical inventory of the remainder of the materials and supplies which was taken as of August 24, 1950.

A physical inventory of the materials and supplies of the Hetch Hetchy Project was taken as of May 31, 1950. We tested the mathematical accuracy and pricing of this inventory and tested physical quantities at June 30, 1950.

PRELIMINARY INVESTIGATIONS AND SURVEYS—\$307,267.71

The balance of this account represents expenditures on the following projects:

Cherry Valley Dam Project	\$282,602.68
Development of water resources.....	24,665.03
Total	<u>\$307,267.71</u>

WORK IN PROGRESS—\$103,512.79

Work in progress consists of the following:

Work being done for other municipal departments by:

Water Department	\$ 8,541.44	
Hetch Hetchy Project	75,096.75	\$ 83,638.19
Retirement work		19,874.60
Total		<u>\$103,512.79</u>

COMMITMENTS—OUTSIDE VENDORS—\$7,072,677.15

These commitments represent contracts, purchase orders, and other evidence of encumbrance for which related goods and services had not been received at June 30, 1950. The contra liability is shown under the caption "Accounts Payable and Commitments."

COMMITMENTS—INTERFUND—\$672,549.92

These commitments represent outstanding orders for work to be performed by other city departments for the Water Department and Hetch Hetchy Project. The contra liability is shown under the caption "Accounts Payable and Commitments."

DEPOSITS—RIGHTS OF WAY—\$159,398.00

These amounts are deposited with various county clerks in connection with condemnation actions as follows:

Bay Division Pipeline No. 3:	
Alameda County	\$ 34,280.00
San Mateo County	8,590.00
Santa Clara County	108,239.00
Sunset Supply Line—San Mateo County	8,289.00
Total	<u>\$159,398.00</u>

We verified the deposits by direct communication with the respective county clerks.

OTHER—\$8,672.02

Other deferred charges consist principally of prepaid expenses.

BONDED DEBT—\$82,878,000.00

The bonded debt consists of the following:

Issue	Total	Cents Omitted		
		Matured Bonds Not Presented for Payment	Due Within One Year	Due After June 30, 1951
Water Department:				
1928, 4½ %	\$21,013,000	\$13,000	\$1,000,000	\$20,000,000
1933, 4 %	2,246,000		563,000	1,683,000
Total—Water Department	\$23,259,000	\$13,000	\$1,563,000	\$21,683,000
Hetch Hetchy Project:				
1910, 4½ %	\$15,005,000	\$ 5,000	\$1,000,000	\$14,000,000
1925, 5 %	4,750,000		250,000	4,500,000
1928, 4½ %	16,805,000	5,000	600,000	16,200,000
1932, 5¾ %	2,306,000	9,000	169,000	2,128,000
1932, 5 %	1,152,000			1,152,000
1932, 4½ %	13,000		13,000	
1932, 4 %	260,000			260,000
1932, 3 %	154,000		8,000	146,000
1932, 2¾ %	224,000		10,000	214,000
1933, 4 %	700,000		175,000	525,000
1947, Series A, 2½ %	3,750,000			3,750,000
1947, Series A, 2 %	1,500,000			1,500,000
1947, Series A, 1¾ %	1,500,000		375,000	1,125,000
1947, Series B, 1½ %	800,000			800,000
1947, Series B, 1¼ %	450,000		200,000	250,000
1947, Series C, 1¼ %	1,750,000		100,000	1,650,000
1947, Series D, 6 %	852,000		213,000	639,000
1947, Series D, 1½ %	2,085,000			2,085,000
1947, Series D, 1¼ %	3,475,000			3,475,000
1947, Series D, 1 %	2,088,000			2,088,000
Total—Hetch Hetchy Project	\$59,619,000	\$19,000	\$3,113,000	\$56,487,000
Total	\$82,878,000	\$32,000	\$4,676,000	\$78,170,000

During the year ended June 30, 1950, Water Department bonds of the principal amount of \$1,563,000.00 and Hetch Hetchy Project bonds in the principal amount of \$2,800,000.00 matured. All matured bonds were redeemed except for bonds of the principal amount of \$14,000.00 which were not presented for payment.

1947 Hetch Hetchy bonds, Series D, of a principal amount of \$8,500,000.00 were sold during the year, leaving a balance of \$5,800,000.00 authorized but unsold bonds of the original \$25,000,000.00 1947 Hetch Hetchy bond authorization.

In the election of November 8, 1949, the electorate approved the incurring of a \$4,000,000.00 bonded indebtedness for the construction of Cherry Valley Dam. No bonds had been sold for this purpose prior to June 30, 1950.

BOND INTEREST PAYABLE—\$1,501,246.42

Interest due on bonded indebtedness is summarized as follows:

Issue	Total	Matured Coupons Not Presented For Payment	Due July 1, 1950	Accrued, Due After July 1 1950
Water Department:				
1928, 4½%	\$ 483,075.00	\$10,575.00	\$ 472,500.00	
1933, 4%	9,086.66	1,600.00		\$ 7,486.66
Total—Water Department	\$ 492,161.66	\$12,175.00	\$ 472,500.00	\$ 7,486.66
Hetch Hetchy Project:				
1910, 4½%	\$ 357,052.50	\$19,552.50	\$ 337,500.00	
1925, 5%	121,900.00	3,150.00	118,750.00	
1928, 4½%	393,705.00	15,705.00	378,000.00	
1932, 5¾%	16,526.45	5,520.00		11,006.45
1932, 5%	10,500.00	5,700.00		4,800.00
1932, 4½%	71.25	22.50		48.75
1932, 4%	2,386.66	1,520.00		866.66
1932, 3%	535.00	150.00		385.00
1932, 2¾%	719.57	206.25		513.32
1933, 4%	2,913.33	580.00		2,333.33
1947, Series A, 2½% ..	40,000.00	937.50		39,062.50
1947, Series A, 2%	12,500.00			12,500.00
1947, Series A, 1¾% ..	10,937.50			10,937.50
1947, Series B, 1½% ..	5,000.00			5,000.00
1947, Series B, 1¼% ..	2,343.75			2,343.75
1947, Series C, 1¼% ..	7,291.66			7,291.66
1947, Series D, 6%	8,520.00			8,520.00
1947, Series D, 1½% ..	5,212.50			5,212.50
1947, Series D, 1¼% ..	7,239.59			7,239.59
1947, Series D, 1%	3,730.00	250.00		3,480.00
Total Hetch Hetchy Project.....	\$1,009,084.76	\$53,293.75	\$ 834,250.00	\$121,541.01
Total	\$1,501,246.42	\$65,468.75	\$1,306,750.00	\$129,027.67

We confirmed the amounts of bonded indebtedness and bond interest payable by communication with other certified public accountants engaged in examination of the Controller's accounts.

ACCOUNTS PAYABLE AND COMMITMENTS—\$9,350,977.44

The following balances are included under the above caption:

Warrants outstanding and pay roll deductions payable.....	\$ 294,907.46
Accounts payable—Materials and service.....	1,100,842.51
Commitments—Outside vendors (contra).....	7,072,677.15
Commitments—Interfund (contra)	672,549.92
Accrued rent due United States Government under Raker Act.....	15,000.00
Contract retentions	195,000.40
Total	\$9,350,977.44

Warrants outstanding and pay roll deductions payable were found to be in agreement with the records of the Controller's office. The above-listed amounts do not include contingent liabilities which are commented on hereinafter.

CONSUMERS' DEPOSITS AND CONSTRUCTION ADVANCES—\$206,249.50

This Water Department account is comprised as follows:

Consumers' guarantee deposits		\$ 50,455.73
Construction advances per books	\$146,431.61	
Less amounts due other city departments, grouped for balance sheet presentation with interfund accounts payable	5,202.03	141,229.58
Custom work advances		14,564.19
Total		<u>\$206,249.50</u>

Construction advances are refundable if compliance is made with Water Department regulations governing installation of services. Custom work advances are applied against the cost of work performed and any remaining portion is refundable.

During the year under review, inactive guarantee deposits and construction advances over ten years old were written off in the respective amounts of \$230.29 and \$432.42 and credited to surplus.

INTERFUND ACCOUNTS PAYABLE—\$465,425.73

Interfund accounts payable are as follows:

Other Public Service Enterprises:

Water Department:

Hetch Hetchy Project	\$ 34,535.18
Municipal Railway	365,099.50
Public Utilities Commission	245.77
Bureau of Light, Heat, and Power.....	22,860.66

Total—Water Department.....	\$422,741.11
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Hetch Hetchy Project:

Water Department	\$89,408.25
Municipal Railway	6,757.69
Airport	286.62
Public Utilities Commission	452.58

Total—Hetch Hetchy Project.....	96,905.14
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Total.....	\$519,646.25
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Eliminate accounts between Water Department and Hetch Hetchy Project	123,943.43
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Consolidated total—Other Public Service Enterprises.....	\$395,702.82
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General City and County:

Water Department:

Employees' Retirement System	\$42,045.12
Department of Public Works	1,956.93
Purchasing Department	186.85
Real Estate Department	73.95

Construction advances:

Department of Public Works.	\$4,623.28	
San Francisco Unified School Dist.	578.75	5,202.03

Total—Water Department.....	\$49,464.88
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(Forward)

(Brought Forward)

Hetch Hetchy Project:

Employees' Retirement System	\$14,985.82
Real Estate Department	3,713.94
Library Department	1,374.78
Purchasing Department	127.49
Recreation Department	56.00

Total—Hetch Hetchy Project.....\$20,258.03

Total—General City and County.....69,722.91

Total.....\$465,425.73

With the exception of minor amounts not classified by the Controller as interfund accounts, all balances were confirmed to us by other certified public accountants engaged in an examination of the records of the Controller's office.

RESERVES—\$163,120.04

WORKMEN'S COMPENSATION INSURANCE—\$89,483.82

The following summary shows the changes in the reserves for workmen's compensation insurance during the year ended June 30, 1950:

	Total	Water Department	Hetch Hetchy Project
Balance, June 30, 1949.....	\$ 88,613.83	\$ 75,569.10	\$ 13,044.73
Provision for the year.....	31,739.09	10,223.88	21,515.21
Total.....	\$120,352.92	\$ 85,792.98	\$ 34,559.94
Less charges by the Retirement System for compensation and hospitalization	30,869.10	4,074.71	26,794.39
Balance, June 30, 1950.....	\$ 89,483.82	\$ 81,718.27	\$ 7,765.55

OTHER—\$73,636.22

These are summarized as follows:

Water Department—Reserve for overhead.....\$ 57,109.75

Hetch Hetchy Project:

Reserve for vacations\$12,918.29

Reserve for sick leave3,608.18 16,526.47

Total\$ 73,636.22

Water Department reserve for overhead includes reserves for vacations, sick leave, and maintenance expenditures.

DEFERRED CREDITS—\$25,116.54

PROPERTY IN SERVICE—

1947 HETCH HETCHY WATER BOND FUND

This Water Department account, which has been eliminated upon consolidation with the Hetch Hetchy Project, consists of the following:

Sunset Supply Line	\$359,324.12
Booster Pump, Crystal Springs Reservoir	142,102.63
Automobiles	18,870.42

Total.....\$520,297.17

The above assets are also included in the accounts of the 1947 Hetch Hetchy Water Bond Fund which have been consolidated with the accounts of the Hetch

Hetchy Project for the purposes of this report. Upon completion of the projects to be paid for with 1947 Hetch Hetchy Water Bond funds, it is expected that the present separate accounting for these funds will be merged with Hetch Hetchy Project and Water Department accounting records.

UNAMORTIZED BOND PREMIUMS—\$17,890.64

This account represents the excess of the cash proceeds over the face amount of the 1947 Hetch Hetchy bonds sold, less \$4,665.69 credited to interest during construction.

OTHER—\$7,225.90

These deferred credits are as follows:

Checks on revolving funds not presented for payment within sixty days of issue	\$ 4,150.44
Rental deposits and payments made in advance.....	2,956.52
Sundry	118.94
Total.....	<u>\$ 7,225.90</u>

GENERAL

We were advised by the City Attorney of lawsuits pending against the Water Department and Hetch Hetchy Project as of June 30, 1950, involving contingent liabilities as follows:

Water Department:

Personal injury (4 cases)	\$120,000.00
Breach of contract	35,841.24
Acquisition of real property without payment.....	4,600.00
Total—Water Department	<u>\$160,441.24</u>

Hetch Hetchy Project:

Water rights (4 cases)	\$258,000.00
Retroactive wages	127,051.15
Road and trail repair	27,313.82
Total—Hetch Hetchy Project	<u>412,364.97</u>
Total.....	<u>\$572,806.21</u>

No liability for any of the above suits has been included in the balance sheet.

Yours truly,

JOHN F. FORBES & COMPANY.

Consolidation	Eliminations	San Francisco Water Department	Hetch Hetchy Water Supply and Power Project
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ASSETS	Consolidation	Eliminations	Department	Project
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NOTE: No liability is included in the above statement for pending lawsuits aggregating \$572,806.21 and other claims the aggregate amount of which could not be ascertained.

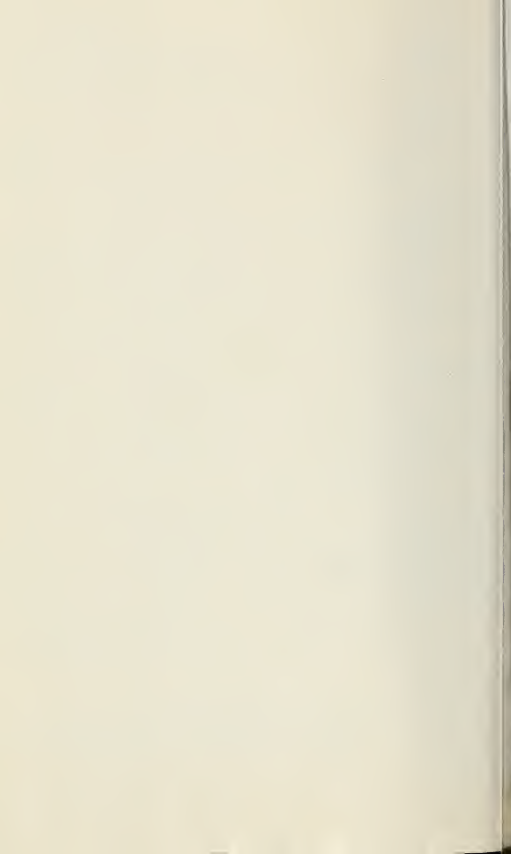


EXHIBIT B
SAN FRANCISCO WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENTS OF INCOME FOR THE YEAR ENDED
JUNE 30, 1950, AND CONSOLIDATION

San Francisco Water Department		Hetch Hetchy Water Supply and Power Project	
Consolidation	Eliminations	Total	Eliminations
OPERATING REVENUES:			
Water sales (see Notes 1 and 2).....			
\$10,151,099.50		\$3,322,439.95	
Charge for use of water for power by Hetch Hetchy Power Division.....			
		\$3,322,439.95	
Receipts by transfer from San Francisco Water Department.....			
		\$3,588,504.63	
\$13,473,539.45	\$3,588,504.63	\$10,151,099.50	\$6,910,944.58
Total operating revenues.....			
\$13,473,539.45	\$3,588,504.63	\$10,151,099.50	\$6,910,944.58
OPERATING EXPENSES:			
Hetch Hetchy Water Supply Division charge for use of water for power purposes.....			
		\$86,463.81	\$86,463.81
		490,419.11	490,419.11
\$1,588,504.63	\$3,588,504.63		
		287,722.28	
		322,243.92	
		102,974.95	
		691,392.34	
		1,032,375.54	
		542,258.25	
		894,166.89	
		2,022.36	
		277,285.20	
		1,032,375.54	
		197,605.44	
		79,679.76	
		\$1,138,038.23	\$1,138,038.23
		244,534.53	244,534.53
		86,463.81	86,463.81
		245,884.58	
OPERATING INCOME BEFORE PROVISION FOR DEPRECIATION			
\$8,744,214.80	\$3,719,813.88	\$5,024,400.92	\$4,284,402.89
PROVISION FOR DEPRECIATION (see Note 3)			
2,414,267.74	906,404.87	1,507,862.87	
OPERATING INCOME			
\$6,329,947.06	\$2,813,409.01	\$3,516,538.05	
OTHER INCOME:			
Rentals, including crop share.....			
\$161,394.20	\$140,000.91	\$21,393.29	
	25,546.71		
	15,069.91		
	29,096.34		
Total other income.....			
\$231,107.16	\$201,651.22	\$29,455.94	
INCOME CHARGES:			
Bond interest.....			
\$2,980,134.91	\$1,052,577.44	\$1,927,557.47	
	23,210.78		
	19,796.28		
	1,432.37		
Total income charges.....			
\$3,024,574.34	\$1,097,016.87	\$1,927,557.47	
			\$1,618,436.52
			\$1,918,043.36

NOTE: The notes appearing on the following page are an integral part of the above and should be read in conjunction therewith.

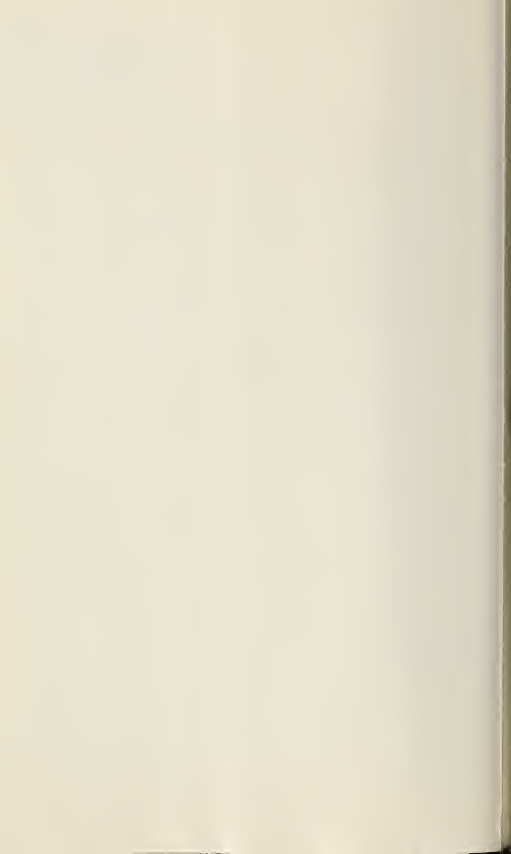


EXHIBIT B

**SAN FRANCISCO WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENTS OF INCOME, ETC.**

- NOTE: 1. Water was delivered without charge to certain municipal departments which if billed at regular rates would have resulted in additional revenue of \$623,844.40 during the year ended June 30, 1950. The above statement excludes this amount which is recorded in memorandum accounts as revenue with a contra charge to municipal tax expense in token of compliance with Section 64 of the Charter of the City and County of San Francisco. See comments in the report under the caption "Operations—General."
2. During the year ended June 30, 1950, the Water Department changed from monthly billing to bimonthly billing for a majority of its customers. As revenue from water sales is not recorded until billings are made, such revenue for the year ended June 30, 1950, is estimated by the Water Department to be \$218,994.00 less than if all billings had been continued on a monthly basis.
3. On the records of the Hetch Hetchy Project, property used exclusively for power purposes has been allocated to the Power Division, and property used jointly for water and power as well as that used exclusively for water purposes has been allocated to the Water Supply Division. For this reason no allocation has been made of the provision for depreciation or bond interest which would be affected by the allocation of the value of properties used jointly for water and power purposes.

The present allocation of water and power assets and the resulting treatment of power as a by-product does not appear to comply with the provisions of the Raker Act which require the proper computation of the respective costs of water and power.

**EXHIBIT B, SCHEDULE 1
SAN FRANCISCO WATER DEPARTMENT
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 1950**

SOURCE OF WATER SUPPLY:

Superintendence	\$ 45,037.72
Operating labor	65,285.52
Operating supplies and expense.....	12,631.21
Repairs—Buildings, fixtures, and grounds.....	119,277.76
Repairs—Surface facilities	45,490.07
Total	\$287,722.28

PUMPING:

Labor	\$ 79,576.47
Fuel for steam	43,046.20
Power purchased	177,115.48
Lubricants	89.60
Miscellaneous supplies and expense.....	3,059.55
Repairs—Primary pumping equipment	12,375.12
Repairs—Boilers and equipment	1,216.71
Repairs—Miscellaneous equipment	3,074.39
Other repairs and gardening	2,690.40
Total	\$322,243.92

EXHIBIT B, SCHEDULE 1 (Continued)

PURIFICATION:

Superintendence and labor	\$ 41,436.65
Supplies and expense	55,713.27
Repairs—Plant structure and equipment	5,445.20
Repairs and maintenance—Roads and trails	379.83
Total	<u>\$102,974.95</u>

TRANSMISSION AND DISTRIBUTION—WATER:

Superintendence	\$ 69,238.53
Patrolling storage facilities	20,659.14
Meters and fittings department	123,167.16
Street department	27,651.49
Consumers' premises expense	31,449.70
Miscellaneous supplies and expense	16,157.18
Repairs—Transmission mains and canals	68,161.67
Repairs—Reservoirs, tanks, and standpipes	3,523.79
Repairs—Distribution mains and canals	130,290.40
Repairs—Service connections	123,569.52
Repairs—Buildings, streets, and grounds	36,985.04
Repairs—Distribution equipment	3,124.06
Reconstruct and relocate pipe lines	37,414.66
Total	<u>691,392.34</u>

COMMERCIAL EXPENSES:

Collection	\$145,869.53
Reading meters	74,432.50
Bookkeeping	164,398.87
General	62,807.33
Inspection and service	72,762.56
Shipping	21,987.46
Total	<u>\$542,258.25</u>

ADMINISTRATIVE AND GENERAL EXPENSES:

Salaries—General officers	\$ 20,049.16
Salaries—General office clerks	62,226.08
Miscellaneous supplies and expense	5,284.96
Injuries and damages	19,804.54
Retirement system contributions	76,653.84
Mason Street building expense	34,009.42
Telephone service	27,264.85
Guest cottages and rest room	187.03
General engineering	72,149.98
Hydrography	1,168.32
Miscellaneous	2,246.89
Provision for compensation claims	10,223.88
Insurance	7,662.94
Repairs—Mason Street building	3,305.89
Repairs—Telephone system	13,684.86
Professional services	3,000.00
Public Utilities Commission expense	46,545.04
Property taxes (outside San Francisco)	488,699.21
Total	<u>\$894,166.89</u>

EXHIBIT B, SCHEDULE 2

HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 1950

	Total	Water Supply	Power
PRODUCTION EXPENSES:			
Operations:			
Superintendence	\$ 15,934.18		\$ 15,934.18
Station labor	102,158.64		102,158.64
Miscellaneous labor	64,393.47	\$ 57,010.78	7,382.69
Supplies and expense	35,254.60	2,992.96	32,261.64
Contributions to Retirement System	22,103.99	6,327.59	15,776.40
Total	\$239,844.88	\$ 66,331.33	\$ 173,513.55
Maintenance:			
Buildings and structures	\$ 49,107.04	\$ 32,594.68	\$ 16,512.36
Reservoirs, dams and intakes	8,903.72	8,903.72	
Waterways	13,364.22	13,364.22	
Pipe lines	10,299.49	10,299.49	
Forebays, penstocks and tailraces	2,299.78		2,299.78
Roads and trails	31,385.77	31,385.77	
Aqueduct tunnels	20,798.50	20,798.50	
Hydraulic power plant equipment	46,807.08		46,807.08
Miscellaneous equipment, etc., less overhead credits	39,161.41	32,409.60	6,751.81
Automotive transportation equipment, less transportation charges distributed	12,066.80	12,066.80	
Total	\$234,193.81	\$161,822.78	\$72,371.03
Miscellaneous:			
Communication system	\$ 12,921.11	\$ 12,921.11	
Hydrography	3,459.31	3,459.31	
Total	\$ 16,380.42	\$ 16,380.42	
Total	\$490,419.11	\$244,534.53	\$ 245,884.58

**TRANSMISSION AND
DISTRIBUTION—POWER:**

Operations:			
Superintendence	\$ 10,530.00		\$ 10,530.00
Substation labor	10,873.30		10,873.30
Transmission line labor	4,499.33		4,499.33
Transmission line supplies and expense	999.06		999.06
Contributions to Retirement System	2,961.10		2,961.10
Total	\$ 29,862.79		\$ 29,862.79

EXHIBIT B, SCHEDULE 2 (Continued)

	Total	Water Supply	Power
Maintenance:			
Transmission structures	\$ 11.61	\$	11.61
Substation equipment	5,237.28		5,237.28
Towers and fixtures	2,988.98		2,988.98
Poles and fixtures	41,721.07		41,721.07
Pole and tower line conductors	55,668.56		55,668.56
Miscellaneous	3,876.61		3,876.61
Total	\$ 109,504.11	\$	109,504.11
Distribution expense:			
Operation supervision and engineering	\$ 16,033.23	\$	16,033.23
Contributions to Retirement System	1,796.86		1,796.86
Pacific Gas and Electric Com- pany service charges and rentals of transmission and distribution facilities	875,178.55		875,178.55
Total	\$ 893,008.64	\$	893,008.64
Total	\$1,032,375.54		\$1,032,375.54

ADMINISTRATIVE AND
GENERAL EXPENSES:

Salaries and wages	\$ 23,780.26	\$ 16,740.26	\$ 7,040.00
Contributions to Retirement System	2,816.66	1,985.61	831.05
Services of other departments	159,337.21	91,521.95	67,815.26
Professional services	3,225.00	1,450.00	1,775.00
Stationery, office supplies and postage	3,776.94	2,051.97	1,724.97
Travel expense	1,813.03	1,453.81	359.22
Fire and automobile insurance	208.48	208.48	
Injuries and damages	543.68	454.52	89.16
Water litigation and damage claims, etc.	27,821.16	27,821.16	
Miscellaneous	5,493.34	5,448.24	45.10
Rent paid under Raker Act	30,000.00	30,000.00	
City, county, and irrigation district taxes	18,469.44	18,469.44	
Total	\$ 277,285.20	\$197,605.44	\$ 79,679.76

EXHIBIT C

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EXHIBIT D SAN FRANCISCO WATER DEPARTMENT HETCH HETCHY WATER SUPPLY AND POWER PROJECT STATEMENTS OF SURPLUS CUMULATIVE TO JUNE 30, 1930, AND CONSOLIDATION

Hetch Hetchy
Water Supply
and Power
Project
San Francisco
Water
Department
Eliminations
Consolidation

\$ 4,152,652.24	100,000.00	\$ 4,252,652.24
2,327,916.67		\$ 1,924,735.57

Total.....
Less—Additional allowance for depreciation from March 1, 1920, to March 3, 1930.....

Remainder.....

ADDITIONS:
Net income (loss*) from operations including miscellaneous surplus

\$48,262,525.47	\$ 2,827,247.10*	\$ 45,435,278.37
9,725,384.82*		27,560,932.94
6,278,591.14		\$ 6,278,591.14
4,265,604.26		4,265,604.26
2,358,987.60		3,570,437.60
808,292.40		2,185,900.21
330,342.22		217,207.04
112,000.00		112,000.00
217,207.04		77,801.23
20,991.00		20,991.00
20,898.83		20,898.83
77,801.23		77,801.23

Funds allocated through General Fund from Water Department (Contributions from (to*) General Fund)
Funds allocated directly from Water Department—Net
Grants earned from Federal Works Projects.....
Bond premiums.....
Properties and materials transferred from Hetch Hetchy Project.....
City of Palo Alto contribution to cost of Palo Alto pipe line.....
Cash received under agreements relating to Palo Alto pipe line.....
Interest received on temporarily idle funds.....
Depreciated value of twelve inch mains transferred from San Francisco Airport.....
Labor donated by Federal Government for construction of roof over Crystal Springs Aqueduct.....

\$79,200,547.22	\$10,874,537.62	\$42,404,959.74	\$47,670,125.10
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Total additions.....

DEDUCTIONS:

\$ 6,278,591.14	\$ 6,278,591.14	\$ 1,287,161.51	\$ 1,287,161.51
4,265,604.26		4,265,604.26	
737,848.54		737,848.54	
330,342.22		330,342.22	
1,990,474.91		1,990,474.91	
737,956.39		737,956.39	
392,006.43		392,006.43	
149,766.79		149,766.79	
\$12,684,437.10	\$ 3,485,315.09	\$14,169,752.19	\$14,169,752.19

Funds allocated through General Fund to Hetch Hetchy Project.....
Retrofitment of Corral Hollow Pipe Line.....
Excess of cost of Newark-San Lorenzo Pipe Line over estimated salvage value.....
Properties and materials transferred to Water Department.....
Excess of adjusted book value of plant over appraisal at December 31, 1937.....
Bond discount, 1910 Hetch Hetchy bonds.....
Evaluation of San Francisco properties of the Pacific Gas and Electric Company by the Railroad Commission of the State of California.....
Land contributed to City and County of San Francisco and Joint Highway Commission for streets and boulevards.....
Total deductions.....

BALANCE, JUNE 30, 1950.....

NOTE: Water Department net income is for the period from March 3, 1930, to June 30, 1950; Hetch Hetchy Project net income is for the period from August 16, 1925, to June 30, 1950.

Municipal Railway of San Francisco



REPORT AND FINANCIAL STATEMENTS

JNUE 30, 1950

Price, Waterhouse and Company

Certified Public Accountants

351 CALIFORNIA STREET, SAN FRANCISCO, CALIFORNIA

October 20, 1950

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:—

In accordance with your instructions, we have examined the financial statements of the Municipal Railway of San Francisco as of June 30, 1950, as follows:

Balance sheet	Exhibit A
Statement of income and expense	" B
Statement of road and equipment	" C
Statement of reserves for depreciation of road and equipment	" D
Statement of unmatured bonded debt	" E

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our report, program and working papers in connection with our examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

OPERATIONS

Operations for the year ended June 30, 1950 resulted in a loss of \$2,075,012.04 as compared with a loss of \$2,488,347.59 for the preceding year. These results are set forth in Exhibit B, of which the following is a condensed summary:

	Year ended June 30		Increase
	1950	1949	(Decrease)
Operating income:			
Passenger revenue	\$18,411,168.66	\$18,456,459.46	(\$ 45,290.80)
Advertising, rents, etc.	164,139.17	135,636.87	28,502.30
Total operating income	\$18,575,307.83	\$18,592,096.33	(\$ 16,788.50)
Operating expense	20,678,077.13	20,848,597.61	(170,520.48)
Loss from operations	\$ 2,102,769.30	\$ 2,256,501.28	(\$153,731.98)
Other income	287,177.18	(55,518.64)	342,695.82
Other expense	\$ 1,815,592.12	\$ 2,312,019.92	(\$496,427.80)
Loss for year	\$ 2,075,012.04	\$ 2,488,347.59	(\$413,335.55)

Statistical records of the Railway show the following mileage traversed during the past two years by the several types of equipment operated:

	Year ended June 30				
	Mileage	1950 Per cent of total	Mileage	1949 Per cent of total	Increase (Decrease) Mileage
Motor coaches	17,950,990	57.5	17,233,416	56.6	717,574
Trolley coaches	6,608,169	21.2	1,986,524	6.5	4,621,645
Electric street cars	6,213,509	19.9	10,821,122	35.5	(4,607,613)
Cable cars	421,100	1.4	435,824	1.4	(14,724)
	31,193,768	100.0	30,476,886	100.0	716,882

Operating income and expense may be expressed in cents per mile traversed, as follows:

	Cents per mile		
	Year ended June 30 1950	1949	Increase (Decrease)
Operating income:			
Passenger revenue	59.022	60.559	(1.537)
Advertising, rents, etc. ....	.526	.445	.081
Total operating income	59.548	61.004	(1.456)
Operating expense:			
Maintenance and repairs:			
Way and structures	3.549	3.008	.541
Equipment	6.613	6.885	(.272)
	10.162	9.893	.269
Power	6.848	7.003	(.155)
Conducting transportation	31.315	34.345	(3.030)
General and miscellaneous	7.635	7.797	(.162)
Taxes .....	.025	.069	(.044)
	55.985	59.107	(3.122)
Provision for accidents	4.427	4.542	(.115)
Provision for depreciation	5.877	4.759	1.118
Total operating expense	66.289	68.408	(2.119)
Loss from operations	6.741	7.404	(.663)

The decrease in passenger revenue resulted from the net effect of an 8.78% decrease in number of revenue passengers carried, offset by an increase in the average fare for the year. The present fare structure of ten cents cash was in effect for the full year of operations ended June 30, 1950; this fare was effective for less than one-half of the prior year. The effect of these factors on total passenger revenue may be shown as follows:

Decrease in revenue due to decrease in number of revenue passengers carried (18,083,823, times the average passenger fare during the year ended June 30, 1949 of 8.985 cents).....	\$1,620,018.36
Increase in revenue due to increase in average passenger fare (number of revenue passengers carried during the year ended June 30, 1950, 187,940,600, times the increase in average fare of .838 cents).....	1,574,727.56
Net decrease in passenger revenue.....	\$ 45,290.80

The decrease of \$170,520.48 in operating expense is segregated between payroll and other costs by account groups as follows:

	(Decreases) Increases in operating expense		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures	\$190,129.17	(\$ 51,171.91)	\$241,301.08
Equipment	(35,331.30)	(42,951.08)	7,619.78
	\$154,797.87	(\$ 94,122.99)	\$248,920.86
Power	1,855.02	351.43	1,503.59
Conducting transportation	(698,755.46)	(697,795.75)	(959.71)
General and miscellaneous	5,165.08	56,596.95	(51,431.87)
Taxes	(13,326.14)		(13,326.14)
	(\$550,263.63)	(\$734,970.36)	\$184,706.73
Provision for accidents	(3,396.81)		(3,396.81)
Provisions for depreciation	383,139.96		383,139.96
	(\$170,520.48)	(\$734,970.36)	\$564,449.88

The decrease in payroll costs was due principally to reduction in the number of operating personnel, for the most part in platform men, resulting from operational changes, such as substitution of one-man operated trolley coaches for two-man operated street cars and reduction in overtime caused by change from a six day to a five day week in the case of inspectors, dispatchers and others. Other factors affecting payroll costs included alteration of schedules and routes, and changes in maintenance requirements.

Decreases in payroll costs were in part offset by pay rate increases effective July 1, 1949; rates for some of the principal payroll classifications are shown as follows:

		Rates effective	
	Per	July 1, 1949	July 1, 1948
Platform men	Hour	\$ 1.506	\$ 1.484
Trackmen	Day	12.40	12.20
Shop mechanics	Day	12.80	12.48
Senior shop mechanics	Day	16.00	15.60
Automotive mechanics	Week	82.50	79.50
Automotive machinists	Week	87.50	84.50
Car cleaners and janitors.....	Month	\$190—230	\$180—220
Inspectors	Month	290—340	270—330
General clerks	Month	200—250	200—250

Variations in operating expense, other than payroll, are commented upon as follows:

Maintenance and repairs of way and structures increased \$241,301.08. Expense for the year included charges of \$343,503.79 for the cost of removal of street car tracks on Mission Street.

Cost of gasoline and diesel fuel increased \$62,380.97 to \$1,189,041.49, cost of electric power for street car and trolley coach operations decreased \$69,294.14 to \$702,995.61, and other costs increased \$8,416.76, a net increase in power expense of \$1,503.59.

Taxes expense, \$7,691.53, represents 1949-1950 property taxes levied by the County of San Mateo and certain municipalities therein upon the San Mateo interurban railway line property. Operations on this line were terminated January 15, 1949, comments concerning sale of the right of way and retirement of tracks, etc. appear under road and equipment accounts.

With respect to taxes, it may be noted that the Railway, if privately owned, would be subject to Federal, State of California, and City and County of San Francisco taxes. Many uncertain factors are involved in the computation of such hypothetical taxes, and accurate estimates are not possible. However, aggregate payments made by the Railway to the City and County Employees' Retirement System were in excess of those which would have been paid under Federal and State payroll tax rates in effect during the year.

Provision for accidents was computed at 7.5% of passenger revenue; the accrual of \$1,380,837.65 was \$3,396.81 less than for the preceding year.

Provision for depreciation, \$1,833,451.30, was \$383,139.96 greater than for the preceding year. Comments concerning this item appear under road and equipment accounts.

The increase in bond interest expense may be accounted for as follows:

	Year ended June 30		Increase
	1950	1949	(Decrease)
Issue of December 1, 1913.....	\$ 17,083.33	\$ 22,083.34	(\$ 5,000.01)
Market Street Railway			
Refinancing Issue of 1947.....	22,840.93	24,086.77	(1,245.84)
Rehabilitation Issue of 1947.....	219,495.66	61,024.68	158,470.98
	<u>\$259,419.92</u>	<u>\$107,194.79</u>	<u>\$152,225.13</u>

Interest on the rehabilitation bonds is charged, during the construction period, to the capital projects financed by such bonds.

CHANGES IN FINANCIAL POSITION

The financial position of the railway at June 30, 1950 is presented in Exhibit A, and is summarized and compared with the position at June 30, 1949 in the following statement:

	June 30		Increase
	1950	1949	(Decrease)
Assets:			
Fixed capital	\$20,377,102.08	\$19,873,493.87	\$ 503,608.21
Cash	5,220,990.10	7,432,612.17	(2,211,622.07)
Accounts receivable	457,464.68	140,764.55	316,700.13
Deferred charges:			
Materials and supplies,			
less reserve for			
obsolescence	964,456.71	880,735.70	83,721.01
Other items	17,663.86	199,053.51	(181,389.65)
Commitments	628,430.64	641,360.11	(12,929.47)
	<u>\$27,666,108.07</u>	<u>\$29,168,019.91</u>	<u>(\$1,501,911.84)</u>
Liabilities and surplus:			
Bonded debt	\$17,919,300.00	\$16,718,000.00	\$1,201,300.00
Bond interest payable	132,648.74	125,912.71	6,736.03
Accounts payable and			
commitments	2,561,493.80	3,327,333.32	(765,839.52)
Reserves	2,645,871.99	2,487,892.93	157,979.06
Deferred credits	22,572.59	49,647.96	(27,075.37)
Contributed surplus	4,753,618.94	4,753,618.94	
Earned surplus (deficit).....	(369,397.99)	1,705,614.05	(2,075,012.04)
	<u>\$27,666,108.07</u>	<u>\$29,168,019.91</u>	<u>(\$1,501,911.84)</u>

The decrease in cash at June 30, 1950 may be accounted for as follows:
Funds provided:

Charges to expenses not involving cash outlay:

Provision for:

Accident claims	\$1,380,837.65	
Depreciation	1,833,451.30	\$3,214,288.95

Net book value of assets sold and retired.....	264,657.81	
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	\$3,478,946.76
Less—Loss for year	2,075,012.04

Bonded debt incurred	\$1,403,934.72
Increase in bond interest payable	2,050,000.00

Increase in bond interest payable	6,736.03
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Decrease in deferred charges other than materials and supplies	181,389.65
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	\$3,642,060.40
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Funds applied:

Additions to fixed capital	\$2,601,717.32
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Increase in accounts receivable	316,700.13
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Increase in materials and supplies	83,721.01
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Bonded debt redeemed	848,700.00
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Decrease in accounts payable	752,910.05
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Payments for accidents, and accident department costs.....	1,201,225.92
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Decrease in token liability	1,632.67
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Decrease in deferred credits	27,075.37
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Decrease in reserve for employees' compensation claims	20,000.00
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	\$5,853,682.47
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Decrease in cash	\$2,211,622.07
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BALANCE SHEET

Statements of road and equipment, other than construction and rehabilitation work in progress, and related reserves for depreciation are presented in Exhibits C and D, respectively. A summary of the changes in fixed capital accounts follows:

	Assets	Reserves	Net
Road and equipment:			
Balance, June 30, 1949.....	\$44,970,560.20	\$27,077,121.00	\$17,893,439.20
Additions	3,966,083.07	1,833,451.30	2,132,631.77
	\$48,936,643.27	\$28,910,572.30	\$20,026,070.97
Retirements	7,837,458.18	7,572,800.37	264,657.81
	\$41,099,185.09	\$21,337,771.93	\$19,761,413.16
Construction and rehabilitation work in progress			615,688.92
			\$20,377,102.08

Pursuant to the provisions of Section 128 of the Charter of the City and County of San Francisco, the Public Utilities Commission shall make an appraisal of the properties of each of the utilities during the fiscal year 1937-1938, and at least every five years thereafter it shall appraise these properties or revise the last preceding appraisal; accordingly, a revision of the 1937-1938 appraisal of the Municipal Railway and of the 1944 appraisal of the Market Street Extension was

made as at June 30, 1948 by the Controller of the City and County of San Francisco who was appointed by the Public Utilities Commission to make such appraisal. In our report dated October 14, 1949 we have referred to the report thereon issued by the Controller.

Provision for depreciation charged to operations in the year ended June 30, 1950, \$1,833,451.30, compares with a provision of \$1,450,311.34 for the previous year. The provision was computed on the basis of the revised appraisal of properties as at June 30, 1948 and taking into consideration additions and retirements recorded in the accounts during the year ended June 30, 1949. It is the policy of the Railway to make no provision for depreciation on an addition to fixed capital in the year in which the asset is put in service.

Road and equipment of the Railway is recorded in the books at appraised amounts, as determined by the Public Utilities Commission as at June 30, 1938 (Market Street Extension as of September 29, 1944) with additions to date substantially at cost. Retirements are made at booked amounts when obtainable, otherwise on the basis of engineering estimates.

The fixed capital accounts include a substantial amount of properties not presently in operation. A complete engineering survey would appear desirable upon completion of the present rehabilitation program in order to ascertain for segregation the costs and reserves applicable to the retained operated and non-operated properties.

Additions to road and equipment during the year consisted of the following:
Way and structures:

Construction, and conversion of facilities to
trolley coach operation:

Potrero car house and Mariposa yard	\$ 645,729.94	
Geary car house and Presidio yard.....	540,761.81	

Installation of trolley coach overhead:

Market street between Ferry Building and Castro Street (No. 8 line).....	\$ 188,656.56	
---	---------------	--

McAllister Street, Fulton Street, Hayes Street, Smith Avenue, etc. (Nos. 5 and 21 lines) ..	374,296.67	
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Haight Street, Parnassus Avenue, Ninth Avenue, etc. (Nos. 6 and 7 lines)	247,032.25	
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Mission Street (No. 9 line)	194,453.37	
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Sutter Street, Presidio Avenue, California Street, trolley coach connection with pre- sidio yard	96,058.94	
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Potrero trolley coach house and Mariposa yard	147,181.71	
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Presidio yard and coach house	87,821.40	1,335,500.90
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Replacement and relocation of facilities on Geary
Street, between Broderick Street and Masonic
Avenue

160,017.05

Reconstruction of tracks at Geary and Market
Streets

29,421.37

Other

113,015.21

\$2,824,446.28

Equipment:

Purchase of 50 trolley coaches.....	\$ 896,709.75
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Modernization of 55 street cars.....	54,185.79
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Purchase of 3 bus washers.....	56,836.67
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Purchase of 5 hydraulic bus lifts.....	15,291.53
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Other	118,613.05
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\$1,141,636.79

Total additions

\$3,966,083.07

Recorded retirements and sales were as follows:

	Road and Equipment	Reserve for Depreciation
Way and structures:		
Right of way:		
San Mateo Line (No. 40 line).....	\$ 141,700.00	
Tracks, etc.:		
Colma intersection south to terminal in city of San Mateo.....	1,559,599.39	\$1,528,571.20
Sutro line from intersection of Point Lobos Avenue and El Camino Del Mar to termi- nation at Sutro Baths (No. 2 line).....	40,493.00	39,607.15
Sloat Boulevard, from St. Francis Circle to Forty Seventh Avenue (No. 12 line).....	173,425.00	169,595.10
Mission Street, Embarcadero, Fifth Street, Leese Street, Richland Avenue, etc. (Nos. 9, 11, 14 and 40 lines).....	1,133,342.48	1,125,668.98
Embarcadero, Washington Street, Jackson Street, Columbus Avenue, etc. (E line)....	92,304.88	90,573.92
San Bruno Avenue from Bayshore Boulevard to Arleta Avenue (H line).....	261,740.32	259,587.26
Bryant Street, Eleventh Street to Army Street, etc. (No. 25 line).....	266,358.00	264,592.70
Sutter Street from Market Street to Fillmore Street (Nos. 1, 2, 3 and 4 lines)	287,022.34	284,890.37
Sixth Avenue, California Street, Presidio Avenue, Lake Street and Sutter Street (Nos. 1, 2 and 4 lines).....	421,958.21	418,599.21
San Jose Avenue, between Diamond Street and Ocean Avenue (No. 26 line).....	128,554.00	128,510.80
Third Street, from Channel Street to Mari- posa Street (No. 15 line).....	86,048.05	83,866.08
Intersection of Army Street, Bayshore Boule- vard and Potrero Avenue (No. 25 and H lines)	78,593.00	78,273.97
Lincoln Way and Frederiek Street, etc. Nos. 7 and 17 lines).....	381,181.00	377,131.00
Storage yard at Lincoln Way and Thirteenth Avenue	48,688.00	47,856.45
Geary Street, between Broderiek Street and Masonic Avenue	59,664.19	58,526.71
Geary car house	44,323.00	36,061.04
Other	219,756.82	207,081.07
	<hr/> \$5,424,751.68	<hr/> \$5,198,993.01
Equipment:		
120 Electric street cars.....	\$2,253,205.44	\$2,230,673.39
2 Motor coaches	25,649.55	25,393.06
Other	61,076.51	57,274.31
	<hr/> \$2,339,931.50	<hr/> \$2,313,340.76
Power:		
Millbrae substation, yard structures and crane....	\$ 44,857.00	\$ 33,944.60
Transmission system	27,918.00	26,522.00
	<hr/> \$ 72,775.00	<hr/> \$ 60,466.60
Total retirements	<hr/> \$7,837,458.18	<hr/> \$7,572,800.37

With respect to the retirements of track on streets other than Mission Street, most of the costs of removal were paid out of the 1947 City and County of San Francisco Street Improvement Bond Fund, no portion of the debt service of which has been allocated to the Railway. The Municipal Railway paid the costs of removal of the tracks on Mission Street, \$343,503.79, and this amount has been charged to operating expense.

On May 15, 1950 the Board of Supervisors approved a resolution transferring jurisdiction of the right of way in San Mateo County to San Francisco Water Department. On July 17, 1950 the Board of Supervisors passed an ordinance appropriating the sum of \$365,000 from Water Department funds for the purchase of the right of way. As at June 30, 1950 the Municipal Railway had recorded the sale of the property on its books; the amount of \$365,000 is included in inter-fund accounts receivable at that date and the gain of \$209,431.25 was credited to other income.

The following schedule shows the changes in route mileage during the year, compiled from statistical records of the Railway:

	June 30			
	1950		1949	
	Non-Operated	Operated	Non-Operated	Operated
Single track railway mileage:				
Electric street cars.....	94.33	71.51	111.07	120.51
Cable cars .....	.06	6.77	.05	6.79
	<u>94.39</u>	<u>78.28</u>	<u>111.12</u>	<u>127.30</u>
Round trip mileage of streets traversed:				
Motor coaches		343.28		324.58
Trolley coaches		80.05		36.10
Total route mileage		<u>501.61</u>		<u>487.98</u>

A summary of units of revenue equipment on hand and changes therein during the year follows:

	June 30, 1949	Additions	Retirements	June 30, 1950
Electric street cars	347	....	120	227
Cable cars	27	....	.....	27
Motor coaches	497	....	2	495
Trolley coaches	248	50	.....	298
	<u>1,119</u>	<u>50</u>	<u>122</u>	<u>1,047</u>

Reconstruction and rehabilitation work in progress at June 30, 1950, consisted of:

Kirkland bus yard	\$177,795.53
Geary offices	148,066.73
Other projects	147,135.18
Interest during construction, engineering and general overhead expense allocable to projects	142,691.48
	<u>\$615,688.92</u>

Cash on deposit with the Treasurer may be summarized as follows:

Bond fund—Rehabilitation Issue of 1947.....	\$2,874,716.97
Operating funds	2,322,479.58
Bond interest funds	2,956.25
Bond fund—Market Street Railway Refinancing Issue of 1947.....	4,537.30
Bond redemption fund.....	300.00
Real property fund	1,000.00
	<u>\$5,205,990.10</u>

Funds on deposit with the Treasurer were confirmed to us by the Controller.

Revolving funds in banks were reconciled with amounts reported to us direct by the depositaries, and confirmations were received from the custodians of the petty cash funds.

Accounts receivable consisted of the following:

Claims under excess coverage liability insurance.....	\$16,954.32
Advertising revenue	16,085.07
Charter services, etc.	12,216.47
Post Office Department, U. S. Government.....	18,750.00
Other	9,097.33
	<u>\$73,103.19</u>

As a test of the receivables, requests for confirmation of balances, totalling \$41,673.84, were sent by us to debtors; satisfactory replies were obtained from all debtors circularized. No losses are anticipated in the collection of these accounts.

Interfund accounts receivable were confirmed to us by other certified public accountants examining the Controller's accounts.

The inventory of materials and supplies, \$966,562.16, is the gross book value of inventories on hand at June 30, 1950. This amount was determined by a tabulation of perpetual inventory records as of May 31, 1950, adjusted for receipts and issues during June 1950. Perpetual inventory records were adjusted on the basis of physical counts made by employees at various times during the year. Officials of the Railway have furnished us with a letter as to quantities, condition and pricing of the inventory. During the examination our representatives made test counts at several locations of quantities of items selected at random. The pricing was tested by us by reference to invoices or other supporting data. Our tests indicated that the inventories are priced at purchase cost, average purchase cost, or written down appraised useful or scrap value. Extensive tests were made by us of the arithmetical accuracy of the inventories.

The changes in the reserve for obsolescence of materials and supplies were as follows:

Balance, June 30, 1949.....		\$46,307.43
Less:		
Obsolete materials charged off.....	\$42,285.02	
Shortages and overages determined by physical count, and sundry other adjustments, net.....	1,916.96	44,201.98
		<u>\$2,105.45</u>

The adequacy of this reserve is currently indeterminable.

A statement of unmatured bonded debt is presented in Exhibit E. The changes in the bonded debt were as follows:

		Principal Amount
Balance, June 30, 1949 (including \$2,000 principal amount of matured bonds of Issue of March 1, 1913, not presented for payment).....	\$16,718,000	

Issued:		
Rehabilitation Issue of 1947:		
Series "D" (dated August 1, 1949).....	\$1,500,000	
Series "E" (dated November 1, 1949).....	550,000	2,050,000
		<hr/>
		\$18,768,000

Redeemed:		
Issue of December 1, 1913.....	\$ 101,700	
Market Street Railway Refinancing		
Issue of 1947.....	100,000	

Rehabilitation Issue of 1947:		
Series "A"	\$434,000	
Series "B"	123,000	
Series "C"	90,000	647,000
		<hr/>
		848,700

Balance, June 30, 1950 (including \$300 principal amount of matured bonds of Issue of March 1, 1913, not presented for payment)	<hr/>
	\$17,919,300

As of June 30, 1950, there remained unissued \$3,050,000 of the \$20,000,000 Rehabilitation bonds authorized by the voters in November, 1947. The Controller's office confirmed to us the principal amount of the outstanding bonded debt, both unmatured and matured but unredeemed.

Commitments to outsiders included the following:

Purchase of equipment for West Portal substation.....	\$ 90,750.21
Construction work, Kirkland bus yard.....	76,896.59
Construction and alterations—Geary car house.....	129,337.36

Interfund accounts payable were confirmed to us by other certified public accountants examining the Controller's accounts.

The changes in the reserve for accident claims may be summarized as follows:

Balance, June 30, 1949.....	\$2,267,892.93
Provision for accidents.....	1,380,837.65
	<hr/>
	3,648,730.58
Claims paid, including sundry expense items.....	\$1,019,195.77
Less—Portion covered by outside insurance:	
Paid direct by insurance carriers.....	\$91,323.21
Paid by Municipal Railway and recovered from insurance carriers	18,977.07
	<hr/>
	110,300.28
	<hr/>
	\$ 908,895.49
Claims department payroll, etc.....	132,322.30
Pro rata of City Attorney's office costs	97,783.00
Cost of excess insurance coverage policy	60,940.38
Miscellaneous	1,284.75
	<hr/>
Balance, June 30, 1950.....	\$2,447,504.66

We know of no reason why the reserve should not be sufficient to cover settlements which may be made with claimants covering accidents which occurred to June 30, 1950.

Based on information received from the City and County Employees' Retirement System, a reserve of \$190,000 is required to cover outstanding employees' compensation claims.

Suit was filed against the City and County of San Francisco on July 21, 1949, based on the claim, amongst other things, that the Railway employees are guaranteed an eight hour day. We have been informed that possible liability, in event of an adverse decision, may be material in amount but is not presently determinable.

* * * * *

In our opinion, the accompanying financial statements present fairly the position of the Municipal Railway of San Francisco at June 30, 1950, and the results of its operations for the year, on a basis consistent with that of the preceding year.

Yours very truly,

PRICE, WATERHOUSE & CO.

EXHIBIT A MUNICIPAL RAILWAY OF SAN FRANCISCO BALANCE SHEET — JUNE 30, 1950

(Accompanying report of Price, Waterhouse & Co., dated October 20, 1950)

LIABILITIES AND SURPLUS

Bonded Debt:

Unmatured bonds (Exhibit E):

Maturing within one year.....\$ 899,000.00
Maturing subsequent to June 30, 1951.....17,020,000.00

Matured bonds not presented for payment.....\$17,919,000.00

\$17,919,300.00

Bond Interested Payable:

Accrued but not due.....\$ 129,692.49
Matured coupons not presented for payment.....2,956.25

132,648.74

Accounts Payable and Commitments:

Outstanding warrants and payroll deductions..\$ 1,023,927.79
General creditors324,020.62

Uncompleted contracts, purchase orders and other commitments—see contra.....\$ 1,347,948.41

1,797,325.12

Prepaid Insurance Premiums and other

Due to General City and County.....\$ 524,746.14
Due to other public service enterprises.....60,368.61

764,168.68

Uncompleted work orders to other city

.....\$ 585,114.75
.....179,053.93

2,645,871.99

Accrued Credits

Accident claims\$ 2,447,504.66
Employee compensation claims190,000.00
Outstanding tokens8,367.33

22,572.59

Earned (Deficit)

Balances, June 30, 1949.....\$4,753,618.94
Loss for year (Exhibit B).....2,075,012.04

4,384,220.95

Balances, June 30, 1950.....\$4,753,618.94

(\$369,397.99)

\$27,666,108.07

ASSETS

Fixed Capital:

Road and equipment (Exhibit C).....\$41,099,185.09
Less—Reserves for depreciation (Exhibit D).....21,337,771.93

Construction and rehabilitation work in progress615,688.92

\$20,377,102.08

Cash:

On deposit with Treasurer.....\$ 5,205,990.10
Revolving funds15,000.00

5,220,990.10

Accounts Receivable

Interfund Accounts Receivable from other public service enterprises.....73,103.19

384,361.49

Deferred Charges:

Materials and supplies.....\$ 966,562.16
Less—Reserve for obsolescence.....2,105.45

Prepaid insurance premiums and other deferred items17,663.86

Uncompleted contracts, purchase orders, inter-departmental work orders and other commitments—see contra.....\$449,376.71

1,610,551.21

\$27,666,108.07



EXHIBIT B MUNICIPAL RAILWAY OF SAN FRANCISCO STATEMENT OF INCOME AND EXPENSE

Year ended June 30		
1950	1949	Increase Decrease*
Operating income:		
Passenger revenue	\$18,411,168.66	\$18,456,459.46
Advertising revenue	127,057.22	119,129.23
Rents	9,778.42	10,010.62
Other	27,303.53	6,497.02
Total operating income	\$18,575,307.83	\$18,592,096.33
Operating expense:		
Maintenance and repairs:		
Way and structures	\$1,106,900.34	\$916,771.17
Equipment	2,062,945.62	2,098,276.92
Power	\$3,169,845.96	\$3,015,048.09
Conducting transportation	9,768,565.11	10,467,320.57
General and miscellaneous	2,381,603.74	2,376,438.66
Taxes	7,691.53	21,017.67
	\$17,463,788.18	\$18,014,051.81
Provision for accidents	1,380,837.65	1,384,234.46
Provision for depreciation	1,833,451.30	1,450,311.34
Total operating expense	\$20,678,077.13	\$20,848,597.61
Loss from operations	\$2,102,769.30	\$2,256,501.28
Other income:		
Interest on bank balances	\$13,935.35	\$12,752.54
Gain on sale of San Mateo right of way to Water Department	209,431.25	209,431.25
Realized from sales of fixed capital and salvage less net book value of assets retired and sundry	58,922.54	68,583.21*
Warrants of prior periods credited to income	4,888.04	312.03
Total other income	\$287,177.18	\$55,518.64*
Total other income	\$287,177.18	\$55,518.64*
Interest on bonded debt	\$259,419.92	\$107,194.79
Provision for obsolescence of materials and supplies	69,132.88	69,132.88*
Total other expense	\$259,419.92	\$176,327.67
Loss for year	\$2,075,012.04	\$2,488,347.59
	\$413,335.55*	

EXHIBIT C MUNICIPAL RAILWAY OF SAN FRANCISCO STATEMENT OF ROAD AND EQUIPMENT

Balances, June 30, 1949		Balances, June 30, 1950	
Municipal Railway	Market Street Extension	Municipal Railway	Market Street Extension
Way and structures:			
Right of way.....	\$ 152,732.33	\$ 152,732.33	\$ 214,342.33
Other land.....	\$ 585,640.14	\$ 807,568.60	\$ 1,393,208.74
Grading.....	723,681.03	1,691,394.36	1,529,933.24
Ballast.....	401,345.01	840,535.19	813,425.36
Ties.....	233,603.47	500,631.71	505,860.48
Rails, rail fastenings and joints.....	1,046,967.05	1,908,670.82	1,066,252.32
Special track work.....	312,148.07	940,337.67	2,094,545.10
Underground construction.....	121.50	449,705.99	865,337.94
Track and roadway labor.....	1,332,937.97	1,472,403.08	2,186,809.80
Paving.....	1,569,393.78	2,546,672.33	3,092,431.44
Roadway machinery and tools.....	38,765.08	43,506.30	82,271.38
Tunnels and subways.....	14,987.49	14,987.49	14,987.49
Bridges, trestles and culverts.....	4,334.85	4,334.85	63,417.85
Crossings, fences and signs.....	46,936.81	29,818.00	64,625.51
Signals and interlocking apparatus.....	15,219.98	8,769.00	3,274.00
Communication systems.....	383,922.78	50,511.84	50,855.07
Poles and fixtures.....	156,183.91	212,240.00	1,471,825.91
Underground conduits.....	1,153,305.54	1,210,946.05	4,023,538.83
Distribution system.....	1,987,478.00	3,124,911.62	3,057,763.35
Shops, carhouses and garages.....	54,469.75	127,348.75	4,279,776.73
Stations, miscellaneous buildings and structures.....	\$ 10,266,686.38	\$ 15,111,620.38	\$ 22,778,001.56
Equipment:			
Electric street cars.....	\$ 1,781,110.40	\$ 3,343,532.16	\$ 1,864,087.38
Cable cars.....	6,359,572.25	7,206,582.99	154,978.00
Motor coaches.....	4,621,054.64	154,978.00	821,361.19
Trolley coaches.....	133,299.36	4,703,284.64	82,230.00
Fare boxes.....	11,669.26	143,299.36	5,613,390.79
Service equipment—electric.....	877,434.33	167,467.51	148,270.25
Electric equipment of street cars and trolley coaches.....	245,229.47	1,216,183.51	153,132.04
Furniture and office equipment.....	111,562.77	781,864.47	143,632.39
Automotive and miscellaneous service equipment.....	89,195.22	132,366.07	130,852.62
Power plant buildings.....	\$ 5,621.40	\$ 357,240.47	\$ 314,803.47
Substation buildings.....	150,706.00	150,706.00	150,706.00
Substation equipment.....	507,244.00	507,244.00	504,824.00
Transmission system.....	\$ 5,621.40	\$ 1,053,385.23	\$ 980,610.23
Power plant equipment—cable cars.....	\$ 24,502,335.48	\$ 44,970,560.20	\$ 41,099,185.09
Amounts shown under the caption "Market Street Extension" include only properties purchased from the Market Street Railway Company on September 29, 1944; additions to or replacements of Market Street Extension properties are included under the caption "Municipal Railway."			
Amounts shown under the caption "Market Street Extension" include only properties purchased from the Market Street Railway Company on September 29, 1944; additions to or replacements of Market Street Extension properties are included under the caption "Municipal Railway."			

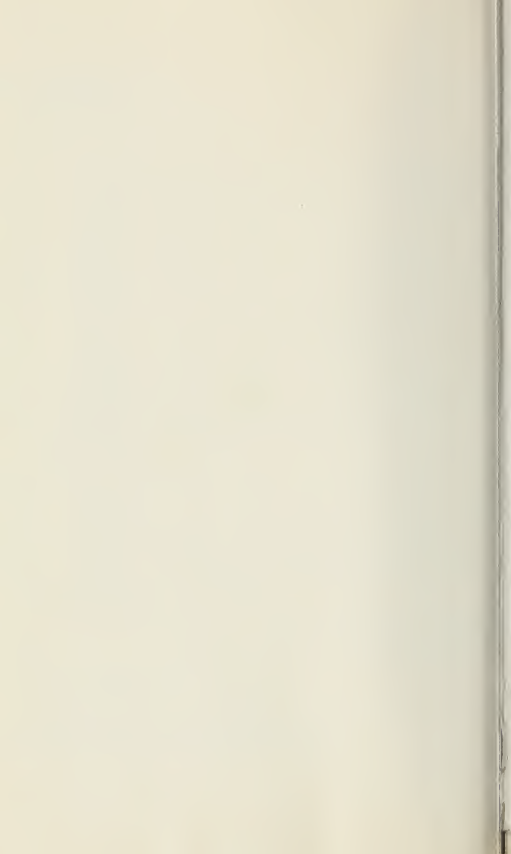


EXHIBIT D MUNICIPAL RAILWAY OF SAN FRANCISCO STATEMENT OF RESERVES FOR DEPRECIATION OF ROAD AND EQUIPMENT

Balances, June 30, 1949

Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Retirements	Provision	Combined
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Municipal Railway	Market Street Extension	Combined
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Way and structures:

Grading.....	\$ 277,820.90	\$ 1,671,503.92	\$ 1,949,324.82	\$ 34,008.05	\$ 893,979.25	\$ 258,134.64	\$ 831,218.98	\$ 1,083,553.62
Ballast.....	326,675.77	830,176.36	1,156,852.13	13,301.33	436,374.94	310,634.95	422,143.77	733,778.72
Ties.....	753,887.98	1,883,812.96	2,637,700.94	35,316.91	894,195.69	712,784.82	1,066,037.34	1,778,822.16
Rails, rail fastenings and joints.....	24.30	432,517.93	1,149,968.76	24,925.60	413,009.02	194,746.79	433,074.42	433,123.02
Special track work.....	226,702.48	923,266.28	1,149,968.76	24,925.60	413,009.02	194,746.79	433,074.42	433,123.02
Underground construction.....	791,517.86	1,448,376.70	2,239,894.56	51,861.05	711,082.85	724,543.73	856,129.03	1,580,672.76
Track and roadway labor.....	1,193,744.86	2,501,925.71	3,695,670.57	67,204.87	1,052,042.13	1,145,435.55	1,563,397.76	2,710,833.31
Paving.....	22,390.88	39,020.66	61,411.54	1,942.46	23,839.46	39,514.54	63,334.00	63,334.00
Roadway machinery and tools.....	14,987.49	14,987.49	14,987.49	14,987.49	14,987.49	14,987.49	14,987.49	14,987.49
Tunnels and subways.....	2,600.88	63,604.32	66,205.20	1,017.34	37,958.00	2,709.25	26,555.29	29,264.54
Bridges, trestles and culverts.....	21,692.20	29,818.00	51,510.20	1,022.34	30,098.16	22,383.38	51.00	22,434.38
Signals and interlocking apparatus.....	7,349.29	8,754.25	16,103.54	706.03	5,736.28	7,799.29	3,274.00	11,073.29
Communication systems.....	6,063.15	198.00	6,261.15	4,213.46	10,276.61	10,276.61	10,474.61	10,474.61
Poles and fixtures.....	203,160.52	792,948.13	996,108.65	31,491.21	207,179.35	692,373.15	899,552.50	899,552.50
Underground conduits.....	91,835.99	158,557.65	250,393.64	5,571.57	94,618.91	161,346.30	253,965.21	253,965.21
Distribution system.....	633,602.25	935,425.55	1,589,027.80	34,262.26	642,814.41	656,081.70	1,298,896.11	1,298,896.11
Shops, carhouses and garages.....	581,581.74	901,643.56	1,483,225.30	92,666.62	17,550.40	920,336.42	1,558,341.52	1,558,341.52
Stations, miscellaneous buildings and structures.....	33,973.94	69,412.92	103,386.86	2,018.07	11,976.85	35,161.77	58,266.31	93,428.08

Equipment:

Electric street cars.....	\$ 1,472,010.79	\$ 1,492,655.48	\$ 2,964,666.27	\$ 69,723.66	\$ 1,546,797.54	\$ 1,487,592.39	\$ 1,487,592.39	\$ 1,487,592.39
Cable cars.....	127,696.40	127,696.40	127,696.40	4,911.40	25,606.59	2,062,293.59	132,607.80	132,607.80
Motor coaches.....	748,213.55	1,951,468.84	928,729.28	310,220.58	2,062,293.59	792,297.94	2,853,991.53	2,853,991.53
Trolley coaches.....	110,300.15	58,738.35	169,038.50	8,271.86	416,002.40	63,256.68	479,259.08	479,259.08
Fare boxes.....	6,954.56	6,954.56	6,954.56	15,226.42	15,226.42	15,226.42	15,226.42	15,226.42
Service equipment—electric.....	10,073.77	142,810.24	152,884.01	2,506.18	14,259.19	3,519.76	137,611.24	141,131.00
Electric equipment of street cars and trolley coaches.....	770,119.52	785,044.67	1,555,164.19	34,300.85	773,054.33	96,221.04	871,275.37	871,275.37
Shop equipment.....	47,281.30	483,684.33	530,965.63	22,449.16	62,987.49	490,421.76	553,409.25	553,409.25
Furniture and office equipment.....	50,268.06	71,540.07	121,808.13	9,684.66	7,110.00	63,902.14	124,382.79	124,382.79
Automotive and miscellaneous service equipment.....	53,035.45	37,389.49	90,424.94	9,188.24	1,372.23	59,757.40	38,483.55	98,240.95

Lower:

Substation buildings.....	\$ 810.92	\$ 258,051.19	\$ 258,862.11	\$ 6,528.24	\$ 31,887.60	\$ 232,286.37	\$ 233,502.75	\$ 233,502.75
Power plant equipment—cable cars.....	129,096.80	129,096.80	129,096.80	4,873.05	2,057.00	133,969.85	133,969.85	133,969.85
Substation equipment.....	411,698.48	411,698.48	411,698.48	6,180.15	26,522.00	415,821.63	415,821.63	415,821.63
Transmission system.....	36,285.02	36,285.02	36,285.02	9,763.02	9,763.02	9,763.02	9,763.02	9,763.02

Substation buildings.....	\$ 810.92	\$ 258,051.19	\$ 258,862.11	\$ 6,528.24	\$ 31,887.60	\$ 232,286.37	\$ 233,502.75	\$ 233,502.75
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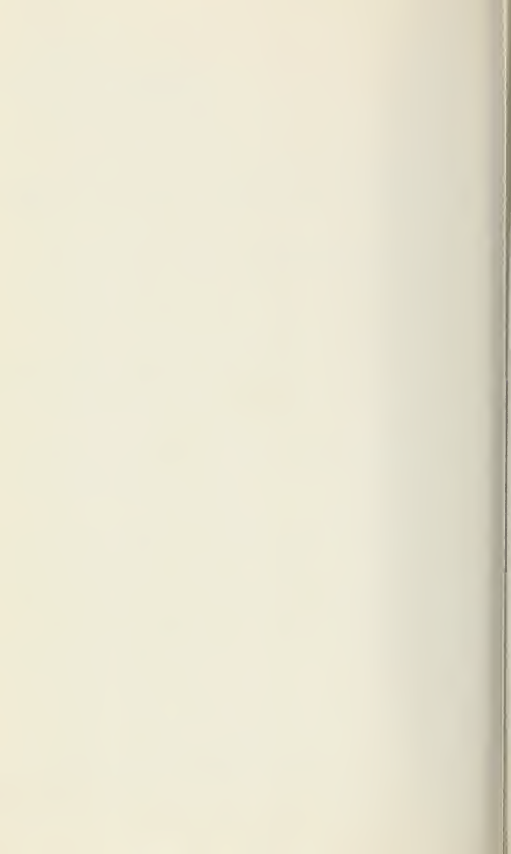
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San Francisco School Department

(A Unified School District)



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1950

Peter Barnett and Company

Certified Public Accountants

SAN FRANCISCO

October 28, 1950

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the balance sheets of San Francisco Unified School District as at June 30, 1950, and the statements of revenues and expenditures and surplus for the year then ended. Our examination was made in conformity with generally accepted auditing standards and accordingly included all procedures which we considered necessary in the circumstances.

REVENUES AND EXPENDITURES

Operating expenses during the fiscal year under review exceeded revenues by \$46,029.02. Following is a comparative summary of revenues and expenditures for the fiscal years ended June 30, 1950 and 1949:

	Year ended June 30		Increase (Decrease)
	1950	1949	
Revenues:			
Property taxes and penalties.....	\$14,415,785	\$16,101,610	\$(1,685,825)
State of California:			
School Fund apportionment.....	7,462,264	7,355,393	106,871
Retirement subventions	335,794	247,553	88,241
Other revenues	1,632,333	1,984,873	(352,540)
Total revenues	\$23,846,176	\$25,689,429	\$(1,843,253)
Operating expenses ..	23,892,205	21,734,438	2,157,767
	\$ (46,029)	\$ 3,954,991	\$(4,001,020)
Current funds expended for capital outlay, net of capital sales	956,957	1,435,857	478,900
Revenues in excess of (less than) expenditures ..	\$(1,002,986)	\$ 2,519,134	\$(3,522,120)

Property taxes were verified by reference to the assessment roll, the tax rate, and the records of the Controller.

Revenues from the State School Fund consist of San Francisco's share of State funds, apportioned on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance.....	(77,260)	(47,672)	(23,254)	(6,334)
\$90 per pupil	\$6,953,400	\$4,290,480	\$2,092,860	\$570,060
Physically handicapped	(903)	(749)	(154)	
Extra cost to school department (not over \$400 per pupil)	\$ 361,200	\$ 299,600	\$ 61,600	
Mentally retarded	(1,038)	(651)	(387)	
Not over \$75 per pupil.....	\$ 62,264	\$ 48,825	\$ 13,439	
School years maintained	(53)		(51)	(2)
\$1,000 per year	\$ 53,000		\$ 51,000	\$ 2,000
Additional for small high schools..	\$ 16,400		\$ 16,400	
Evening schools	(3)		(3)	
\$4,000 per year	\$ 12,000		\$ 12,000	
Continuation school.....	(1)		(1)	
\$4,000 per year	\$ 4,000		\$ 4,000	
	<u>\$7,462,264</u>	<u>\$4,638,905</u>	<u>\$2,251,299</u>	<u>\$572,060</u>

These revenues were in agreement with the abstract of fund apportionment received from the State Superintendent of Public Instruction, which we compared with the School District records.

A comparison of the average daily attendance follows:

	1949-50	1948-49
Elementary schools	48,546	47,672
High schools	24,507	23,254
Junior college	6,236	6,334
	<u>79,289</u>	<u>77,260</u>

We reviewed the procedure for recording daily attendance at the schools, and it appeared satisfactory.

Other revenues were verified by reviewing property leases, billings to other counties for tuition, contracts with the Veterans' Administration and other supporting data in sufficient detail to satisfy us as to their general accuracy.

Proceeds from the sale of property on Post Street, owned by the School District, in the amount of \$500,000.00, were taken into the School District books as income and were credited to the general school fund by the Treasurer. Consequently this amount is shown in the annexed statement of revenues and expenditures and is included in the current funds in the proprietary balance sheet. However, it should be noted that these monies have been specifically earmarked for purposes of capital outlay only.

Cafeterias:

Cafeteria operations for the fiscal year ended June 30, 1950, resulted in net income of \$16,502.22, as follows:

Income:		
Sales	\$892,630.13	
Federal grants	88,968.29	\$981,598.42
Expenses:		
Cost of food	\$607,625.31	
Salaries and wages	266,923.38	
Student help	28,062.18	
Supplies and expenses	36,162.05	
Central office	3,608.42	
Repairs and replacements	1,301.69	
Provision for sick, and vacation pay	21,413.17	965,096.20
Net income		<u>\$ 16,502.22</u>

The net income of the cafeterias is held in trust for cafeteria operations and is not available for any other purpose.

PROPRIETARY BALANCE SHEET

Fixed Capital Properties:

The School District maintains a detailed record of land, improvements, structures, buildings and equipment. The total of assets as shown by this record at June 30, 1950, was \$55,136,710.77. No control accounts are kept in the School District general ledger in respect of such assets. The record of fixed capital school properties maintained in the Controller's office, at June 30, 1950, reflected an aggregate amount of \$58,048,359.38. We were informed that the difference of \$2,911,648.61 for the most part results from the fact that the record kept in the Controller's office reflects assigned or appraised values on certain properties which in the School District record are stated at cost, or (where properties were acquired without cost) recorded with no money value. It appears that some part of the difference is due to differing accounting treatment, as between the Controller's office and the School District for certain transactions, such as sale or other disposal of assets. For the purposes of the proprietary balance sheet at June 30, 1950, the Controller's figures have been used for fixed capital properties.

Additions to fixed capital properties during the fiscal year ended June 30, 1950, as shown by the records of the School District, were \$17,222.39 greater than the capital additions as shown by the records of the Controller's office. At the time of our examination there were in process of preparation, reconciliations and adjusting entries necessary to bring the two sets of records into agreement.

Disposals of equipment, other than by sale, during the fiscal year under review, shown by the detailed capital assets record of the School District in the aggregate amount of \$47,064.20, have not been reflected on the capital assets record kept in the Controller's office, nor in the balance sheet.

On June 29, 1949, the Board of Education resolved to call for bids for the sale of property at Fifth and Market Streets, minimum sale price \$6,000,000.00; and for the sale of property at 224-230 Post Street, minimum sale price \$500,000.00. At a meeting on January 17, 1950, the Board accepted a bid of \$500,000.00 for the Post Street property. No bids were received on the property at Fifth and Market Streets.

Cash:

Cash in the various funds of the School District at June 30, 1950, was as follows:

Current funds:

School District	\$6,326,020.20	
Bond interest	9,711.25	\$ 6,335,731.45

Capital funds:

1948 School Bonds	\$5,932,760.86	
Real property	124,453.00	6,057,213.86

Trust funds:

Accumulative Building Fund	\$ 127,418.95
Child Care Center	153,521.11
Sabbatical Leave (Teachers)	16,420.52
Retirement (Teachers)	53,620.39
Annuity Deposits (Teachers)	8,507.28
Federal withholding tax	192,114.11
County Service Fund	1,659.00
Veterans' Education	30.20
Cafeteria	217,010.33
Sales tax	3.10

Trust fund: forward

Trust fund: continued		
Will C. Steinbrunn Bequest	10,172.60	
Board of Education County Office Fund	568.27	781,045.86
		<hr/>
Total cash deposited with Treasurer		\$13,173,991.17
Revolving funds:		
School District	\$ 1,500.00	
Cafeteria	1,550.00	
	<hr/>	
	\$ 3,050.00	
Rosenberg Foundation Trust Fund		
(deposited with American Trust Company).....	8.39	3,058.39
	<hr/>	
Total cash		<u>\$13,177,049.56</u>

The cash on deposit with the Treasurer was reconciled by reference to the Treasurer's balance sheet.

Accounts Receivable:

A summary of the accounts receivable is given hereunder:

Taxes and penalties:

Taxes — current year	\$140,707.16	
Taxes — prior year	364,497.59	
Penalties on delinquencies	5,035.56	
	<hr/>	
	\$510,240.31	
Reserve for unsecured items	371,303.63	\$138,936.68

Other accounts receivable:

Tuition due from other counties	\$469,424.95	
Subventions for vocational training of veterans.....	175,058.81	
Cafeteria:		
Federal grants (May and June)	17,574.94	
Other	7,171.49	
Salary overpayments	16,795.64	
Other	3,944.39	689,970.22
	<hr/>	
		<u>\$828,906.90</u>

The uncollected taxes were in agreement with the records of the Controller.

Tuition due from other counties consists of \$49,039.70 tuition billed to Contra Costa County in July, 1949, for the fiscal year 1948-1949, collected in July, 1950; and \$420,385.25 billed in July, 1950, for tuition for non-resident students at City College for the fiscal year 1949-1950.

Subventions for vocational training consist of bills rendered (\$61,734.08) plus an estimate (\$113,324.73) for instruction given in May and June, billed subsequently.

Cafeteria Federal grants represent the following billings:

May (collected in July)	\$12,023.17
June	5,551.77
	<hr/>
	<u>\$17,574.94</u>

Salary overpayments of \$16,795.64 are not considered fully collectible. Some of the teachers concerned have left the service and the statute of limitations has expired on some of the unpaid balances.

Unsecured taxes, which amounted to \$138,936.68, and accounts receivable other than taxes, amounting to \$689,970.22 as at June 30, 1950, are fully reserved.

Inventories and Deferred Charges:

Physical inventories of stores were taken, priced and extended by School District employees as at March 31, 1950. The balance of the inventory account in the general ledger was reduced by \$312.01 to correspond with the physical inventories. We tested prices, extensions and footings of the physical inventory sheets and made test counts of quantities in stock during the course of our examination.

Following is a summary of insurance coverage carried by the School District:

Fire and extended coverage:

School District property	\$47,845,000
Federally-owned Child Care Centers	15,000

Automobiles:

Bodily injury, including non-ownership	200,000/500,000
Property damage, including non-ownership	100,000
Fire and Theft	(Cash value)

Boiler	100,000/500,000
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Blanket fidelity bond (each loss)	25,000
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Additional fidelity bond coverage:

Chief of the budget division and the coordinator of home economics and cafeteria (each)	15,000
Superintendent of Schools	25,000
Board of Education members (each)	2,500

Child Care Centers:

Bodily injury	100,000/1,000,000
Property damage	1,000

General public liability insurance is not carried. The legal adviser of the School District advised us that the contingent liability under unsettled claims would approximate \$35,000.00.

Bonded Debt:

Changes in bonded indebtedness during the fiscal year under review were as follows:

Date of Issue	Interest Rate	Balances June 30, 1949	Transactions During Fiscal Year		Balances June 30, 1950
			Sold	Redeemed	
March 1, 1923.....5%		\$ 5,400,000	.....	\$294,000	\$ 5,106,000*
March 1, 1949....1¼%		3,400,000	.....		3,400,000
March 1, 1949. ...1½%		3,000,000	.....		3,000,000
March 1, 1949... 5½%		600,000	.....	175,000	425,000
		<u>\$12,400,000</u>		<u>\$469,000</u>	<u>\$11,931,000</u>

*Includes \$6,000 matured but unpaid.

Of the \$18,890,000 school bond issue approved by public vote in November, 1948, \$41,890,000 remained unsold at June 30, 1950.

The bonded indebtedness shown in the accompanying financial statements is not a liability of the San Francisco Unified School District but constitutes a general obligation of the City and County of San Francisco.

Bond Interest Payable:

School bond interest payable or accrued at June 30, 1950, amounted to \$131,669.60, as follows:

Coupons matured, not presented for payment	\$ 9,711.25
Interest accrued, not due	121,958.35
	<u>\$131,669.60</u>

Accounts Payable:

Accounts payable are summarized hereunder:

Warrants and payroll deductions outstanding	\$1,871,844.00
Trade creditors — Goods and services received for which warrants had not yet been issued	226,560.75
Uncompleted contracts and purchase orders	5,145,691.25
	<u>\$7,244,096.00</u>

The contractual liability of \$5,145,691.25 for uncompleted contracts and purchase orders consists of obligations for goods and services not received as at June 30, 1950. Since these charges apply to a period subsequent to that date, a like amount is shown as a deferred charge on the annexed balance sheet, in accordance with past practice.

The interfund accounts payable were reconciled with the records of the Controller. This liability is composed of the following balances:

Employees' Retirement System	\$1,075,000.00
Department of Public Works	246,178.43
Other city departments	40,887.45
	<u>\$1,362,065.88</u>

The goods and services represented by these accounts were received prior to June 30, 1950, and charged to the year then ended.

We were unable to verify the amount owed to the Employees' Retirement System at June 30, 1950, because the records of that department were not completed in respect of the fiscal year at the time of our examination.

* * * * *

In our opinion the accompanying balance sheets and related statements of surplus and of revenues and expenditures, together with the accompanying notes, present fairly the position of the San Francisco Unified School District as at June 30, 1950, and the results of its operations for the fiscal year then ended.

Respectfully submitted,

PETER BARNETT AND COMPANY
Certified Public Accountants

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDEX TO FINANCIAL STATEMENTS
JUNE 30, 1950

EXHIBIT A — Proprietary Balance Sheet — June 30, 1950.

EXHIBIT B — Statement of Surplus for the Fiscal Year ended June 30, 1950.

EXHIBIT C — Statement of Revenues and Expenditures for the Fiscal Years ended June 30, 1950 and 1949.

Schedule 1 — Details of Revenue for the Fiscal Years ended June 30, 1950 and 1949.

Schedule 2 — Details of Expenditures for the Fiscal Years ended June 30, 1950 and 1949.

EXHIBIT D — Funds Balance Sheet — June 30, 1950.

EXHIBIT E — Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet — June 30, 1950.

EXHIBIT A

Note 1: Fixed capital properties are not recorded in the general accounts of the School District. The amounts appearing in the foregoing balance sheet are those shown by the records of the Controller.

Note 2: Proceeds from the sale of certain land and buildings during the fiscal year ended June 30, 1950, aggregating \$500,451.00, were deposited in the Treasury to the credit of the School District general fund and accordingly are included in the cash shown in the "current funds" column of the foregoing balance sheet. However, these monies have been specifically earmarked for capital outlay by resolution of the Board of Education.

Note 3: Bonded debt and bond interest are not recorded on the accounts of the School District since they are general obligations of the City and County of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of record.

Note 4: Contingent liability for personal injury claims of students and others is approximately \$35,000.00.

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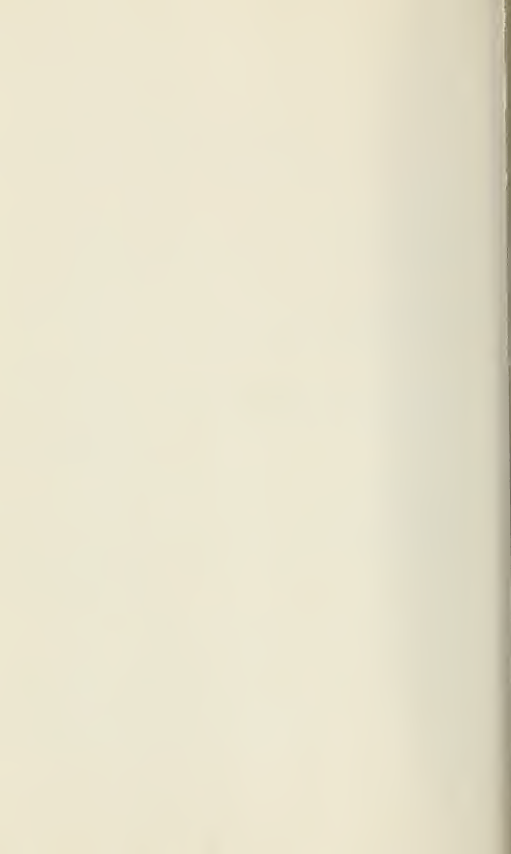


EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1950

CURRENT SURPLUS

Balance — June 30, 1949		\$ 4,809,601.38
Add:		
Reserve for cancelled checks, transferred to surplus		2.00
		<u>\$ 4,809,603.38</u>
Deduct:		
Net expenditure for the fiscal year ended June 30, 1950 (Exhibit C)	\$1,002,986.41	
Proceeds of 1948-49 sale of property transferred from current to capital funds.....	4,500.00	1,007,486.41
		<u>\$ 3,802,116.97</u>
Balance — June 30, 1950		

CAPITAL SURPLUS

Balance — June 30, 1949		\$49,891,943.05
Add:		
Capital outlay from non-capital funds:		
Capital outlay as shown by School District records — From school general fund.....	\$1,457,408.39	
From special accumulative building fund..	295,730.26	
	<u>\$1,753,138.65</u>	
Difference in capital outlay between Controller's and School District's records.....	17,222.39	1,735,916.26
Bonded debt matured during year		475,000.00
Gain on sale of Ethan Allen School property		47,953.00
Proceeds of 1948-49 sale of property transferred from current to capital funds		4,500.00
		<u>\$52,155,312.31</u>
Deduct:		
Cost or assigned book amount of property sold:		
Land and building at 224-230 Post Street (Note)		105,000.00
		<u>\$52,050,312.31</u>
Balance — June 30, 1950.....		

Note: Proceeds from the sale of the Post Street property, amounting to \$500,000.00, were deposited in the City and County Treasury to the credit of the school general fund. See Note 2 on the accompanying proprietary balance sheet.

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1950 AND 1949

	Fiscal Years Ended June 30	
	1950	1949
Revenues (Schedule 1)	\$23,846,175.73	\$25,689,429.53
Operating Expenses:		
Administration	\$ 719,405.62	\$ 649,066.35
Instruction	16,543,611.49	15,244,194.71
Operation	1,878,240.41	1,816,710.95
Maintenance	1,300,566.93	1,031,534.39
Auxiliary services	377,829.53	292,611.09
Fixed charges	2,514,537.76	2,144,845.87
Community services	205,128.92	224,472.63
Tuition paid to other counties	5,099.04	1,621.68
Total direct expenses	\$23,544,419.70	\$21,405,057.67
Auxiliary (indirect) services contributed by Board of Health:		
Medical inspection	\$ 80,382.38	\$ 74,575.12
Dental inspection	44,951.67	32,677.91
Nurse service	222,451.00	222,127.80
	\$ 347,785.05	\$ 329,380.83
Total operating expenses (Schedule 2)	\$23,892,204.75	\$21,734,438.50
Excess of Revenues Over Operating Expenses.....	\$ (46,029.02)	\$ 3,954,991.03
Capital Outlay From Current Funds.....	\$ 1,457,408.39	\$ 1,440,356.66
Less:		
Sale of land and buildings.....	500,451.00	4,500.00
Net capital outlay from current funds (Schedule 2)	\$ 956,957.39	\$ 1,435,856.66
Net Expenditures 1949-50 — To Exhibit B.....	\$ 1,002,986.41	
Net Revenues 1948-49		\$ 2,519,134.37

EXHIBIT C — SCHEDULE 1
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF REVENUE
FOR THE FISCAL YEARS ENDED JUNE 30, 1950 AND 1949

	<u>Fiscal Years Ended June 30</u>	
	<u>1950</u>	<u>1949</u>
Property Taxes and Penalties	\$14,415,785.25	\$16,101,609.86
Received From State of California:		
Elementary schools	\$ 4,638,905.00	\$ 4,562,720.00
High schools and City College	2,823,358.58	2,792,673.50
Retirement subventions	335,794.46	247,553.46
	<u>\$ 7,798,058.04</u>	<u>\$ 7,602,946.96</u>
Other Revenues:		
San Francisco Housing Authority	\$ 88,670.85	\$ 74,586.71
Federal and State vocational education	70,650.24	84,836.44
Reimbursement for veterans' vocational training	340,003.21	728,431.90
Tuition from other counties	354,950.94	305,171.54
Rentals	391,590.14	427,248.56
Other revenues	38,682.01	35,216.73
	<u>\$ 1,284,547.39</u>	<u>\$ 1,655,491.88</u>
Total direct revenues	\$23,498,390.68	\$25,360,048.70
Auxiliary (Indirect) Revenue:		
Services of physicians, dentists and nurses received from Department of Health	347,785.05	329,380.83
Total Revenues — To Exhibit C	<u>\$23,846,175.73</u>	<u>\$25,689,429.53</u>

EXHIBIT C — SCHEDULE 2
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1950 AND 1949

	Fiscal Years Ended June 30	
	1950	1949
Administration:		
Salaries	\$ 585,844.25	\$ 539,083.32
Supplies	36,165.14	30,055.68
Travel	15,816.46	12,650.32
Other	81,579.77	67,277.03
	<u>\$ 719,405.62</u>	<u>\$ 649,066.35</u>
Instruction — Salaries:		
Supervision	\$ 276,148.94	\$ 252,672.28
Kindergarten	560,971.02	418,887.41
Elementary — day	5,993,099.78	5,567,612.62
Special schools	381,256.39	325,542.81
Junior high	2,568,223.30	2,332,820.33
Senior high	3,443,349.85	3,174,878.96
Adult schools	592,233.81	521,196.85
Trade and industrial schools	331,985.62	330,754.39
Continuation school	218,820.40	206,764.47
City College	1,351,875.40	1,302,536.00
	<u>\$15,717,964.51</u>	<u>\$14,433,666.12</u>
Instruction — Supplies, Etc.:		
Kindergarten supplies	\$ 41,974.65	\$ 25,266.98
Educational supplies	518,650.14	506,450.92
Books	185,546.75	183,195.73
Travel	19,209.28	15,808.49
Other	90,266.16	79,806.47
	<u>\$ 825,646.98</u>	<u>\$ 810,528.59</u>
Operation:		
Janitors, engineers and gardeners:		
Salaries	\$ 1,298,249.81	\$ 1,197,259.25
Supplies	82,950.74	99,035.59
Gas and electricity	154,139.42	143,864.53
Fuel	112,811.23	145,514.08
Water	53,264.03	54,441.91
Other	176,825.18	176,595.59
	<u>\$ 1,878,240.41</u>	<u>\$ 1,816,710.95</u>
Carried forward	<u>\$19,141,257.52</u>	<u>\$17,709,972.01</u>

EXHIBIT C — SCHEDULE 2 (Continued)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1950 AND 1949

	Fiscal Years Ended June 30	
	1950	1949
Brought forward	\$19,141,257.52	\$17,709,972.01
Maintenance:		
Repairs: :		
Buildings and grounds	\$ 1,122,193.28	\$ 847,518.95
Janitors' equipment	3,139.85	4,035.06
Educational equipment	168,858.26	144,021.06
Fire damage	(477.73)	32,208.24
Other	6,853.27	3,751.08
	<u>\$ 1,300,566.93</u>	<u>1,031,534.39</u>
Auxiliary Services:		
Compulsory education	\$ 118,159.67	\$ 108,083.04
Student placement services	15,466.24	15,870.19
Transportation of children	159,024.31	111,904.51
Cafeteria supervision	37,460.05	27,305.62
Cafeteria maintenance	15,881.44	
Other	31,837.82	29,447.73
	<u>\$ 377,829.53</u>	<u>\$ 292,611.09</u>
Fixed Charges:		
Rents	\$ 5,816.33	\$ 5,886.33
Insurance	42,634.32	45,146.32
Compensation and accident claims	36,045.49	58,213.52
Contributions to retirement system:		
City	2,366,439.55	1,994,947.14
State	41,430.00	40,494.00
Other	22,172.07	158.56
	<u>\$ 2,514,537.76</u>	<u>\$ 2,144,845.87</u>
Community Services:		
Elementary and junior high vacation schools	\$ 88,161.60	\$ 87,477.83
Veterans' counseling	51,695.03	79,639.53
Civic Center activities	32,212.08	28,456.41
City College dormitories	21,595.95	28,898.86
Free meals (Education Code 16418)	11,464.26	
	<u>\$ 205,128.92</u>	<u>\$ 224,472.63</u>
Carried forward	<u>\$23,539,320.66</u>	<u>\$21,403,435.99</u>

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET — JUNE 30, 1950
(As Per Accounts of the Controller)

EXHIBIT D

ASSETS									
Total	Cash Available	Cash in Transit	Accounts Receivable	Unsold Bonds	Interfund Accounts	Investments	Current Funds:	Capital Funds:	Real property
\$ 5,454,530.53	\$ 4,686,667.92		\$ 739,927.99		\$ 27,934.62		School District		
\$ 124,453.00	\$ 124,453.00						Real property		
47,692,499.93	5,802,499.93			\$41,890,000.00			1948 School Bonds		
\$47,816,952.93	\$ 5,926,952.93						Special and Trust Funds:		
\$ 127,418.95	\$ 127,418.95						Special Accumulative Building Fund.		
93,372.99	93,256.82						Child Care Center		
192,097.38	22,183.07	\$169,914.11					Withholding tax		
1,659.00	1,659.00						County Service		
16,420.52	16,420.52						Teachers' Sabbatical Leave		
53,264.89	36,682.39	16,582.50					Teachers' Permanent Fund		
8,507.28	6,189.73	2,317.55					Teachers' Annuity Deposits		
194,125.25	169,681.22		\$ 24,444.03				Cafeteria		
15,172.60	10,172.60						Will C. Steinbrunn Bequest		
3.10	3.10						Sales tax		
\$ 483,667.40	\$188,814.96		\$ 24,444.03		\$ 116.17	\$5,000.00			
\$11,097,288.25	\$188,814.96		\$764,372.02			\$5,000.00			
\$53,973,525.42	\$11,097,288.25		\$764,372.02	\$41,890,000.00	\$28,050.79	\$5,000.00			

LIABILITIES AND SURPLUS									
Total	Encumbrances	Interfund Accounts	Deferred Credits	Surplus and Trust Funds	Current Funds:	Capital Funds:	Real property	1948 School Bonds	Special and Trust Funds:
\$ 5,454,530.53	\$ 932,917.27	\$1,656,769.49	\$ 386,303.63	\$2,478,340.14	School District				
\$ 124,453.00					Real property				
47,692,499.93	\$3,874,986.00	\$ 98,016.00	\$41,891,400.00	\$1,952,550.93	1948 School Bonds				
\$47,816,952.93	\$3,874,986.00	\$ 98,016.00	\$41,891,400.00	\$1,952,550.93	Special and Trust Funds:				
\$ 127,418.95	\$ 1,638.75	\$ 38,211.08		\$ 87,569.12	Special Accumulative Building Fund.				
93,372.99	45,397.24	30,209.12		17,766.63	Child Care Center				
192,097.38				192,097.38	Withholding tax				
1,659.00				1,659.00	County Service				
16,420.52				16,420.52	Teachers' Sabbatical Leave				
53,264.89				53,264.89	Teachers' Permanent Fund				
8,507.28				8,507.28	Teachers' Annuity Deposits				
194,125.25				194,125.25	Cafeteria				
15,172.60				15,172.60	Will C. Steinbrunn Bequest				
3.10				3.10	Sales tax				
\$ 47,035.99	\$ 47,035.99	\$ 68,420.29		\$ 386,583.77					
\$4,854,939.26	\$1,823,205.47	\$42,277,703.63	\$3,017,676.84	\$53,973,525.42					

EXHIBIT C — SCHEDULE 2 (Concluded)
 CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 DETAILS OF EXPENDITURES
 FOR THE FISCAL YEARS ENDED JUNE 30, 1950 AND 1949

	Fiscal Years Ended June 30	
	1950	1949
Brought forward	\$23,539,320.66	\$21,403,435.99
Tuition Paid to Other Districts	5,099.04	1,621.68
Total Direct Expenditures	<u>\$23,544,419.70</u>	<u>\$21,405,057.67</u>
Auxiliary (Indirect) Expenditures:		
Contributed by Board of Health:		
Medical inspection	\$ 80,382.38	\$ 74,575.12
Dental inspection	44,951.67	32,677.91
Nurse service	222,451.00	222,127.80
	<u>\$ 347,785.05</u>	<u>\$ 329,380.83</u>
Total Operating Expenditures — to Exhibit C.....	<u>\$23,892,204.75</u>	<u>\$21,734,438.50</u>
Capital Outlay From Current Funds:		
Land	\$ 235,563.35	\$ 583,036.70
Buildings and improvements	764,334.15	408,675.02
Equipment	457,510.89	448,644.94
	<u>\$ 1,457,408.39</u>	<u>\$ 1,440,356.66</u>
Less:		
Sales of land and buildings	500,451.00	4,500.00
Net Capital Outlay From Current Funds — to Exhibit C	<u>\$ 956,957.39</u>	<u>\$ 1,435,856.66</u>

EXHIBIT E

ASSETS

[illegible]

*Denotes

LIABILITIES AND SURPLUS

Proprietary Balance Sheet (Exhibit A)		Funds Balance Sheet (Exhibit B)	
	Deduct:		Add:
Fixed capital, less bonded debt	\$58,048,359.38	\$11,925,000.00	Investments
Warrants and payroll deductions outstanding	1,871,844.00		Interfund transactions
Bonds matured, unpaid	6,000.00		1948 School Bonds unse
Revolving funds	3,050.00		Bond premium
Bond interest matured, unpaid	9,711.25		Cash transfers outstanding
Rosenberg Foundation Trust Fund	8.39		Accounts receivable reserve
Deferred charges	5,789,290.78		Reserve for Deparment
Accounts receivable reserves:			
Tuition	420,383.25		
Salary suit repayments	15,453.26		
Other			
Accounts payable			
Bond interest accrued, not due			
Board of Education County of			
Interfund transactions			
	\$58,048,359.38	\$11,925,000.00	
Total	\$77,864,814.41	\$11,931,000.00	\$42,273,381.59
Bonded Debt			\$53,973,525.42
Bond Interest			
Accounts Payable and Encumbrances	\$7,244,096.60	\$131,669.60	\$4,854,939.26

Unappropriated
Unencumbered
Trust funds ..



City and County of San Francisco Employees' Retirement System

(San Francisco, California)



REPORT ON AUDIT
FOR THE FISCAL YEAR ENDED
JUNE 30, 1949

Joseph Froggatt and Company, Inc.

Specialists in All Branches of Insurance Accounting

Consulting Actuaries and Auditors

74 TRINITY PLACE, NEW YORK

November 16, 1950

The Honorable Harry D. Ross, Controller,
City and County of San Francisco, San Francisco, California.

Dear Sir:

In accordance with your instructions, we have made an examination of the balance sheet of the City and County of San Francisco Employees' Retirement System as of June 30, 1949, and the related statement of income and disbursements for the fiscal year ended on that date. We present herewith the following statements, together with our comments thereon:

Exhibit "A"—Balance Sheet — At June 30, 1949.

Schedule No. 1 — Investment Bonds — At June 30, 1949.

Exhibit "B"—Statement of Income and Disbursements — For the Fiscal Year Ended June 30, 1949.

SCOPE OF WORK

Our examination was limited to the verification of the assets and liabilities as of June 30, 1949, and a review of the internal control and accounting procedure of the City and County of San Francisco Employees' Retirement System, and without making a detailed audit of the transactions, we have examined or tested their accounting records or other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we deemed necessary.

BALANCE SHEET

Cash on Deposit With Treasurer — \$5,206,231.12:

A complete reconciliation of the cash on deposit as of June 30, 1949, has not been made at the time of writing this report, with the Controller's office. There are a number of small items appearing on the Controller's records and also on the records of the Retirement System which have been outstanding for a number of years. These differences are now in process of being traced and complete reconciliation with the proper adjustments will be made in due course. The differences are small and can be readily accounted for.

Bonds Owned — Amortized Value — \$66,134,740.98:

The bonds are held in the joint custody of the Controller and the Treasurer. Bonds owned as of June 30, 1949, as per Exhibit "A", Schedule No. 1 attached hereto, were accounted for by physical examination at the vaults of the Treasurer of the City and County of San Francisco.

The premium or discount at time of purchase is being properly amortized. For the purpose of this report, we did not ascertain the market value of these securities. None of the bonds owned as of June 30, 1949, were in default as to principal or interest.

All bonds owned are of the character legal for insurance companies in the State of California, as provided in Section 159 of the Charter.

Accrued Interest — \$330,810.82:

Accrued interest at June 30, 1949, was independently calculated by us and found to be as set forth on Exhibit "A" of this report.

Due From City and County of San Francisco — \$1,991,634.96:

This balance consists of the following:

Employees' Contributions Withheld	\$ 333,405.95	
Police Department	139,411.23	
Due from Special Funds — Compensation Costs	61,040.33	
On Account of Contributions Other Than Uniformed Services	1,899,279.62	
		<u>\$2,433,137.13</u>

Less:

Unexpended Balance of Tax Appropriation.....	\$393,586.46	
Taxes Receivable, Secured	47,915.71	441,502.17
		<u>\$1,991,634.96</u>

The balances due for Employees' Contributions Withheld and on account of Contributions Other than Uniformed Services represent funds due for the months of January to June, 1949, inclusive, on which the cash transfer had not been made as of June 30, 1949. These transfers, however, had been made at the time of our audit.

The Police Department account of \$139,411.23 represents the balance due on Police \$2.00 contributions paid to Police Relief and Pension Fund prior to January 8, 1932. This account is being reduced at the time of separation, death or retirement of each member in the amount of the contributions plus interest made to the former plan by that individual member.

The balance due from the Special Funds — Compensation Costs, is for current expenditures not reimbursed until the year 1949 and 1950.

The Unexpended Balance of Tax Appropriation in the amount of \$393,586.46 is not refundable to the City and County of San Francisco, in accordance with Section 249 Article 3 Part 1 of the Municipal Code which states in part as follows:

"Funds appropriated annually to the Retirement System, other than from specific fund appropriations, shall first be applied to meet the requirements for fixed charges for current and prior service for the period for which said funds are appropriated, and second shall be applied to meet the accumulated obligations of the City and County to the Retirement System."

Taxes Receivable, Secured — Allocated to Retirement System — \$47,915.71:

This figure was obtained from the Controller's office and is analyzed as follows:

Real Property Taxes, Secured	\$ 47,915.71
Personal Property Taxes, Unsecured	102,993.93
	<u>\$150,909.64</u>

Deduct:

Reserve for Unsecured Personal Property Taxes.....	102,993.93
	<u>\$ 47,915.71</u>

Members' Accumulated Contributions — \$25,723,141.34:

This balance represents the members' accumulated contributions as required by the various sections of the Charter, together with the accumulated interest thereon. This balance is supported by an individual listing of the individual members' contribution accounts. Test-audits were made of the postings to the individual members' accounts from the payroll records and withdrawal rolls. In all cases tested, members were found to have been credited with their payroll withholdings and interest compounded as of June 30, 1949, at the rate of two and one-half per cent. An analysis of these accumulated contributions is set forth on Exhibit "A" of this report.

City and County Accumulated Contributions —**Current Service — \$26,350,874.44:**

This balance represents City and County accumulated contributions for present members not yet retired, together with the accumulated interest thereon as required by the Charter.

In accordance with Charter provisions, no contributions are required of the City and County in connection with additional contributions made by members.

For the fiscal year ended June 30, 1949, interest was computed at the rate of two and one-half per cent, compounded at June 30, 1949.

Total Present Value — All Annuities and Pensions—**Current Service — \$13,344,373.03:**

This account represents the reserves, based on actuarial calculations necessary to provide annuities and pensions for current service to all retired members and beneficiaries receiving allowances, as of June 30, 1949, under the various retirement plans. An analysis of these reserves is set forth on Exhibit "A" of this report.

This reserve is based on individual members' records, showing the amount of contributions accumulated and interest thereon at time of retirement, less all subsequent payments. Retirement payments are made on a guaranteed basis and of necessity some individual members' accounts will reflect that payments exceed the amount of accumulated contributions, while in other cases the accumulated contributions were in excess of the actual payments.

In analyzing the accounts of individual members who have died in retirement, we find that their over-all accumulated contributions exceeded the payments to time of death in the amount of \$1,239,611.08 for annuities and \$1,389,051.18 for pensions. These unabsorbed contributions still remain in the amount of \$13,344,373.03 reflected as Total Present Value — All Annuities and Pensions — Current Service. These amounts are retained in the reserve to meet benefit payments to retired members who may live beyond retirement age, as anticipated in the mortality tables then in use.

The actuarial reserve based on current mortality and interest rates is determined periodically, the next computation to be made as of June 30, 1951, as required by law.

This reserve, however, does not include current benefits payable to policemen and firemen under Charter Sections 166, 167, 169 and 170. Payments under these Charter Sections are reimbursed currently as paid.

Compensation Costs Payable — \$5,734.20:

This item represents compensation disbursements made in June, 1949, which were not reimbursed until 1949 and 1950.

Death Benefits Left on Deposit by Beneficiaries**of Deceased Members — \$29,556.90:**

The above amount represents the balances left on deposit by beneficiaries of deceased members for payment in monthly installments. This account is supported by underlying detail for each individual beneficiary.

Ex-Members' Accumulated Contributions in Suspense — \$23,260.80:

This balance consists in most part of pension warrants issued to a member who we understand, was elected as an officer of the County after retirement, and declined pension payments. The remaining balance in this account represent warrants issued for withdrawals but never presented for payment.

Advance From Municipal Executive Employees' Association — \$875.30:

This account represents the unexpended portion of advance from the Municipal Executive Employees' Association to compensate for expenses incurred in connection with a special survey.

Undistributed Earnings From Sale of Bonds — \$3,802,963.64:

These undistributed earnings represent the unabsorbed portion of profit from sale of bonds in prior years. This reserve was created in accordance with Resolutions adopted by the Retirement Board. These earnings are being distributed over the life of the bonds purchased with these proceeds.

An analysis of the undistributed earnings from the sale of bonds follows:

Profit from the sale of bonds:

For the fiscal year ended June 30, 1943.....	\$ 400,421.35
For the fiscal year ended June 30, 1944.....	1,418,102.36
For the fiscal year ended June 30, 1945.....	3,207,543.26
	<hr/>
	\$5,026,066.97

Less: Profit credited to interest income:

For the fiscal year ended June 30, 1944.....	\$152,231.40
For the fiscal year ended June 30, 1945.....	188,839.62
For the fiscal year ended June 30, 1946.....	314,147.60
For the fiscal year ended June 30, 1947.....	157,352.61
For the fiscal year ended June 30, 1948.....	201,230.75
For the fiscal year ended June 30, 1949.....	209,301.35
	<hr/>
	1,223,103.33
	<hr/>
	<u>\$3,802,963.64</u>

City and County Accumulated Contributions Reserved for Current Service Benefits

Not Otherwise Funded and Prior Service Benefits — \$2,453,193.28:

City and County accumulated contributions reserved for current service benefits not otherwise funded and prior service benefits consist of City and County contributions released upon withdrawal or death of members who were participants under a matching plan, together with unallocated funds retained by the Retirement System, as provided in Ordinance No. 4203, effective June 30, 1946. These funds are held in accordance with Section 211, (c) 4 of Part 1, Article 3 of the Municipal Code.

From these funds, death benefits are paid to beneficiaries of deceased miscellaneous members on the following basis:

Beneficiaries of active members — An amount equal to the compensation earnable by him during the six months immediately preceding his death, but not to exceed \$500.00 per month.	
Beneficiaries of retired members.....	\$500.00

Also from these funds is assigned an amount necessary, when added to the City and County accumulated contributions under disability retirement, to provide the reserve for present value of disability retirement pensions — current service, for retired members other than 168.1 Police. The amount assigned as of June 30, 1949, was \$1,538,045.76, for the purpose of increasing the reserve under matching plans to an actuarial reserve for the present value of disability retirement pensions — current service, for retired members other than 168.1 Police.

Contingency Reserve Against Adverse Experience — \$1,974,594.50:

This reserve represents the interest earned on bonds, after amortization charges, in excess of the amounts required to credit all accumulated contributions and reserve accounts with interest at the rates established by the Retirement Board. This fund also includes \$1,223,103.33 of the profits from the sale of bonds in prior years. This reserve was established as a contingency against possible deficiencies in interest of other years, losses under investments and losses under other contingencies. Approval of this procedure was set forth in the Minutes of the Meeting of the Retirement Board held on December 1, 1948.

The increase in this reserve during the year under audit is analyzed as follows:

Interest Earned on Investments.....	\$1,498,156.76
Prior Years' Profits on Sale of Bonds Applied During Year....	209,301.35
Profit on Sale of Bonds During Current Year.....	404.07
Interest Earned on City's Debit Balances.....	3,634.12
	<hr/>
	\$1,711,496.30
Less: Credits to All Accumulated Contributions and Reserve Accounts.....	1,529,965.88
	<hr/>
Increase During Year in Contingency Reserve.....	\$ 181,530.42

Adjustments — Reserve Accounts — \$2,766.16:

This account represents an accumulation of annual adjustments of differences between individual members' accounts and controls with respect to all active and retired members. The adjustments during the current year aggregated a net debit of \$2,630.15.

INCOME AND DISBURSEMENTS

Members' payroll pension withholdings were set up in accordance with payroll records. Extensive test-checks were made directly from the payroll records and in all cases examined, withholdings were made in accordance with the established rates.

In connection with members remaining under the old matching contribution plan, the City contributed an equal amount in accordance with the Charter provisions. With reference to members under Charter Section 165.2, the City contributed at a percentage basis applied to the members' earnings, exclusive of salaries in excess of \$500.00 per month. These contributions to the extent of our examination, were collected at the following rates as established by the Consulting

Actuary:

Municipal Railroad	8.415%
Water Department	7.301%
All Other	11.340%

In connection with members of the Police Department, under Charter Section 168.1, the City's contributions were collected at the rate of 17.470%.

In addition to the contributions mentioned heretofore, which are required to provide for future current service benefits, included also in the City's contributions are reimbursement of prior and current service benefits paid during the current year to policemen retired under Sections 166 and 167, firemen retired under Sections 169 and 170, and prior service benefits of miscellaneous members died or retired.

The income under other City and County contributions represents reimbursement of actual disbursements for administrative expenses.

Interest on investments includes interest earned, less amortization charges, Profit from the sale of investments during the current year amounted to \$404.07 and interest earned on City and County debit balances amounted to \$3,634.12. These income items and prior years' profit on sale of bonds applied during the year of \$209,301.35, were credited to the accumulated contribution and reserve accounts, with the exception of \$181,530.42. This excess of \$181,530.42 is shown as an increase in the contingency reserve against adverse experience, and is analyzed in a previous paragraph under that caption.

The interest rate of two and one-half per cent was used in crediting the accumulated contribution and reserve accounts and individual members' accounts during the fiscal year. This interest rate was established as required by Section 211

of Part 1, Article 3 of the Municipal Code of the City and County of San Francisco, which reads, in part, as follows:

"From time to time, the Board shall determine the rate of interest being earned on the Retirement Fund. Upon the basis of all or any of such investigation, valuation and determination, the Board shall: (1) Adopt for the Retirement System such interest rate and such mortality, service, and other tables, or any of such items, as shall be deemed necessary."

All withdrawals by members included in our test-examination were in agreement with the members' individual accounts and included the interest thereon to date.

All payments of allowances and benefits included in our test-examination were correctly computed in accordance with the provisions of the Charter and approved formulae, and were properly supported by documents and other necessary data.

An analysis of allowances and benefits paid during the fiscal year ended June 30, 1949, follows:

Service Retirements	\$2,847,221.50
Disability Retirements	796,758.95
Death Allowances	404,006.08
Death Benefits to Members' Beneficiaries	391,014.38
Death Benefits to Retired Members' Beneficiaries	88,329.31
	<hr/>
	\$4,527,330.22
	<hr/>

COMPENSATION DIVISION

Reflected on the Balance Sheet, Exhibit "A" of this report, is a non-ledger asset in the amount of \$658,514.87, which represented the estimated contributions due from the City and County for compensation claims pending at June 30, 1949. There is also reflected on the liability side of this statement a reserve for a corresponding amount. This figure is based on estimates developed by the Compensation Division and was not verified by us.

Also reflected on the Statement of Income and Disbursements, Exhibit "B", as income, are the City and County contributions in the amount of \$334,810.29, which represent reimbursement for compensation claims. This amount is offset by actual disbursements of \$329,076.09 and the liability as reflected on Exhibit "A" of \$5,734.20 for unpaid compensation claims incurred as of June 30, 1949, but not cleared until year 1949 and 1950.

GENERAL

We acknowledge the cooperation extended to us by the staff of the San Francisco City and County Employees' Retirement System and the Controller's office during our examination.

OPINION

In our opinion, the accompanying balance sheet and statement of income and disbursements, together with the foregoing comments, present fairly the financial condition of the City and County of San Francisco Employees' Retirement System at June 30, 1949, and the result of its operation for the fiscal year then ended, and is in conformity with the generally accepted accounting principles and practices consistently applied to the period under review.

Respectfully submitted,

JOSEPH FROGGATT & CO., INC.

Public Accountants and Auditors

By Joseph Froggatt, Jr., C.P.A. (Cal.)

President.

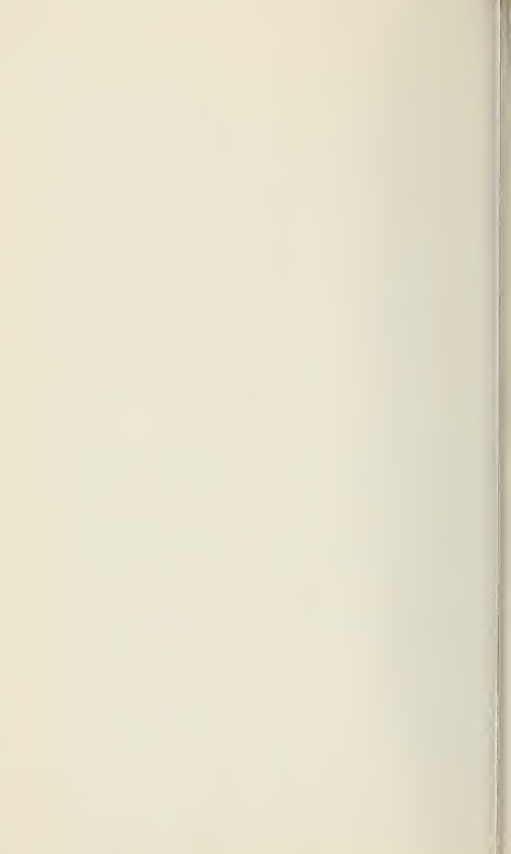


EXHIBIT "A"
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)
BALANCE SHEET
At June 30, 1949

ASSETS**LEDGER ASSETS:**

Cash	\$ 5,206,231.12
Bonds Owned (Amortized Value)	66,134,740.98
Accrued Interest	330,810.82
Due from City and County of San Francisco	1,991,634.96
Taxes Receivable, Secured—Allocated to Retirement System	47,915.71
Total Ledger Assets	\$73,711,333.59

COMPENSATION DIVISION**NON-LEDGER ASSETS:**

Estimated City and County Contributions Necessary to Meet Outstanding Compensation Claims Pending (Contra)	658,514.87
--	------------

LIABILITIES

Members' Accumulated Contributions:	
Normal Contributions Other Than Police	\$22,489,150.48
Normal Contributions — Police	2,487,303.68
Additional Contributions	746,687.18
City and County Accumulated Contributions — Current Service	26,350,874.44
Present Value of Service Retirement Annuiti-Current	\$3,758,325.68
Present Value of Service Retirement Pensions — Current	5,565,027.41
Present Value of Disability Retirement Annuiti-Current	\$ 667,324.18
Present Value of Disability Retirement Pensions — Current	2,281,342.37
Retired Members Other than Police	168.1
Retired Members — Police	425,860.40
Present Value of Death Allowances — Current Service	3,374,526.95
Present Value of Death Allowances — Current Service	73,613.36
Annuiti-Current Service	\$ 572,879.63
Pensions Granted on Account of Deceased Members	646,492.99
Total Present Value—All Annuiti-Current Service	13,344,373.03
Death Benefits Left on Deposit by Beneficiaries of Deceased Members	5,734.20
Ex-Members' Accumulated Contributions in Suspense	29,556.90
Advance from Municipal Executive Employees' Association	23,260.80
	875.30
SPECIAL RESERVES	\$65,477,816.01
Undistributed Earnings from Sale of Bonds	\$ 3,802,963.64
City and County Accumulated Contributions Reserved for Current Service Benefits not (Otherwise Funded and Prior Service Benefits	2,453,193.28
Contingency Reserve Against Adverse Experience	1,974,394.50
Adjustments — Reserve Accounts	2,766.16
COMPENSATION DIVISION	\$73,711,333.59
Reserve for Compensation Insurance Claims Pending June 30, 1949 (Contra)	658,514.87
	\$74,369,848.46

\$74,369,848.46

\$74,369,848.46

Subject to comments attached to and forming part of this report.

EXHIBIT "A"—SCHEDULE 1

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)

INVESTMENT BONDS

At June 30, 1949

	Par Value	Amortized Value
United States Government	\$52,914,000.00	\$53,132,207.56
California Municipalities, School Districts, etc.....	6,287,025.00	6,323,993.06
Municipalities — Other than California.....	3,267,000.00	3,524,756.28
Railroad	330,000.00	328,857.17
Public Utilities	2,773,000.00	2,824,926.91
	<u>\$65,571,025.00</u>	<u>\$66,134,740.98</u>

Subject to comments attached to and forming part of this report.



EXHIBIT "B"
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)
STATEMENT OF INCOME AND DISBURSEMENTS
For the Fiscal Year Ended June 30, 1949

Ledger Assets at July 1, 1948.....	\$62,742,785.78	Total Income and Ledger Assets (Brought Forward).....	\$79,201,282.28
INCOME			
Members' Contributions:			
Normal Contributions of		Accumulated Contributions Withdrawn	\$ 429,727.72
Miscellaneous Members	\$4,546,331.13	From Members' Reserves.....	\$ 797,927.54
Contributions—Police Members	371,076.03	From City and County Reserves	1,067,214.23
Under Section 168.1	\$4,917,407.16	Paid Currently by City and County	2,662,188.45
Re-deposits of Withdrawn		Administrative Expenses	172,752.13
Accumulated Contributions	21,755.99	Monthly Installments to Beneficiaries	9,710.16
Additional Contributions	120,797.67	Paid from Outside Source for Special Survey	874.70
City and County Contributions:			
Current Service Reserves.....	\$5,706,430.64	Due from City and County	5,160,872.60
Police Members Under		Credit to \$2.00 Accumulated Contributions	20,477.67
Section 168.1	999,181.55		
Current Service Benefits:			
Firemen	\$ 419,179.51		
Policemen	126,161.48		
Prior Service Benefits:			
Miscellaneous	\$ 530,259.82		
Firemen	1,093,411.45		
Policemen	517,287.98		
Other City and County Contributions:			
To Meet Administrative Expenses	172,752.13		
Received from Outside Source for Special Survey	500.00		
Interest on Investments	1,498,156.76		
Profit on Sale of Investments	404.07		
Compensation Division:			
To Meet Net Compensation Insurance Costs Actually Paid	334,810.29		
Total Income	\$16,458,496.50		
Total Income and Ledger Assets	\$79,201,282.28		

DISBURSEMENTS			
Compensation Division:			
Weekly Benefits	\$186,732.72	Total	\$17,180.61
Medical Expenses	137,855.83	Subrogation Recoveries	
Premiums	5,626.13	Net Payments	
Administrative Expenses	16,042.02		
Total Disbursements	\$346,256.70		
Balance — Ledger Assets — June 30, 1949	\$73,711,333.59		

Subject to comments attached to and forming part of this report.

DOCUMENTS DEPT.

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PUBLIC LIBRARY

Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1951





Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1951



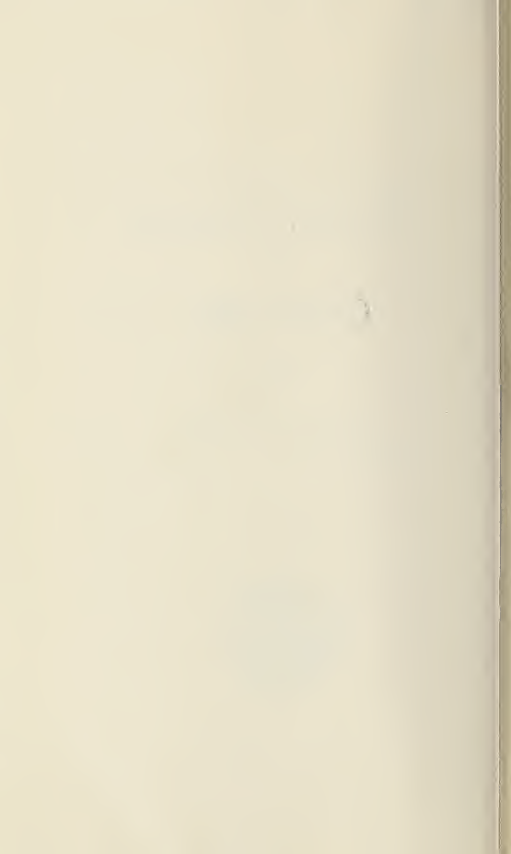


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**EMPLOYEES' RETIREMENT SYSTEM
REPORT ON AUDIT**

(For Fiscal Year ended June 30, 1950)

By Joseph Froggatt & Co., Inc.

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Controlled financial planning, control and management, accounting and systems.

CHIEF ASSISTANT CONTROLLER

UTILITY AUDITS

and preparation of all timbers,

preparation of Aid rolls and warrants

Government and operating budget,
Consolidated Budget, Estimated,
Revenue, Annual Appropriation

UMBRELLANCES

THESE PROCEEDINGS OF THE
PROPOSED LEGISLATION

Correspondence and reports, stop notices, assignments, surety bonds, Oath of Office, Insurance, Personnel Record & Procurement (Contr. Office) Claims Register, Ordinances and Resolutions, File Control, including all city contracts.

Redemption audit and control
Fund Ledger - General Journal
Reports - State Settlements
Extension and audit of Tax

LEGAL DIVISION
Counsel
Interpretation of Law
Proposed Legislation

Revenue Research and Statistics
Approval of deposits with Treasurer
Register of Receipts
Stationery Control of Ice
Receipts, badges and other
numbered revenue forms.
Audit of Licenses and Fees
Tax Apportionments
Cash position
Trust Accounts

Audit, Recordation and
Certification of:
Purchase Orders
Contracts
Orders for Work (Inter-Apt)
Work Orders
Services Orders
Grant Orders
Judgments
Claims

Authority
Legality
Specifications
Prices
Extensions
Terms
Material
received
reports

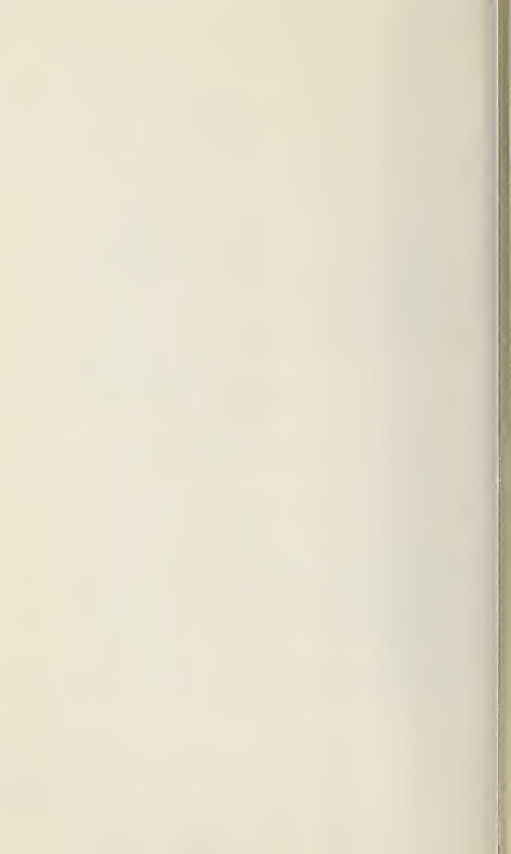
VOUCHER WARRANTS

PAYROLL RELEASE

AUDIT OF
AID CLAIMS
Moody April
Moody May
Widener Foundation
Rohde Medical
State School
O'Neill Trust
Kathleen
of Liberty

Revenues
Appropriations
Allotments
Encumbrances
Disbursements

WARRANT REGISTER	Verification of Paid Warrants	Reconciliation of	Outstanding Warrants
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City and County of San Francisco
OFFICE OF THE CONTROLLER

October 23, 1951

To His Honor, the Mayor, and the Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1951, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by McLaren, Goodc, West & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following audit reports:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes and Company.

Municipal Railway, by Price, Waterhouse & Co.

San Francisco School Department, by Peter Barnett & Co.

The audit of the Retirement System for the fiscal year ended June 30, 1950, by Joseph Frogatt & Co., Inc., was presented too late for publication in last year's report and is therefore included in this report. The audit of the Retirement System for the fiscal year ended June 30, 1951 has not been completed because the department's records are in arrears. The department's mechanical accounting installation has now been completed and progress is being made to maintain the accounts on a current basis.

Respectfully submitted,

H. D. Ross,
Controller.



CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1941-42 to 1950-51

FISCAL YEAR ENDED JUNE 30

	1942	1943	1944	1945	1946	1947	1948	1949	1950 (a)	1951 (a)
Property Taxes and Penalties.....	\$36,449,752.78	\$37,459,590.91	\$36,736,197.70	\$39,425,735.01	\$41,189,093.18	\$47,214,061.37	\$51,429,241.75	\$60,358,807.60	\$60,699,337	\$66,500,390
Retail Purchase and Use Tax.....	1,058,009.78	1,096,052.37	1,092,240.56	1,131,087.36	1,189,613.40	1,314,284.17	1,331,661.71	1,465,059.48	1,506,803	1,558,434
Other Taxes and Licenses.....	580,211.57	522,375.40	546,578.15	628,628.92	1,007,361.11	1,349,743.20	1,294,335.59	1,386,182.88	1,630,166	1,661,179
Court Fines.....	\$38,087,974.13	\$39,078,018.68	\$38,375,016.41	\$41,185,451.29	\$43,386,667.69	\$49,878,088.74	\$57,562,567.46	\$67,877,068.32	\$68,415,974	\$74,765,498
Departmental Revenues.....	\$1,963,231.49	\$1,724,472.68	\$2,054,564.53	\$2,434,529.90	\$3,009,619.37	\$3,774,663.20	\$4,071,272.14	\$5,223,205.83	\$5,583,159	\$6,499,076
Interest Earned.....	21,006.19	17,963.91	17,238.73	17,983.75	22,459.26	29,547.68	74,734.63	305,950.03	418,823	489,584
Rents, S. F. Unified School District.....	103,675.17	103,803.27	170,470.45	1,197,412.00	1,591,935.00	387,650.94	401,066.35	401,066.35	371,262	361,303
Contributions from Water Department.....	318,678.00	875,121.14	1,906,020.00	1,197,412.00	1,591,935.00	387,650.94	401,066.35	401,066.35	371,262	361,303
Cash Transferred from Capital Funds.....	748,183.89	37,973.19	300.00	3,500.00	8,550.00	94,200.00	6,500.00	263,786.75	537,093	223,845
Cash Transferred from Trust Funds.....						7,985.50				
Housing Authority—in lieu of taxes.....			71,870.15	359,579.46	86,280.56	332,461.76	418,318.79	274,457.96	372,387	392,037
Miscellaneous.....					405,874.65	409,109.41	418,318.79	274,457.96	372,387	392,037
Transfer from School Cafeteria Fund.....									91,940	49,493
	\$3,154,774.74	\$2,759,334.19	\$4,420,463.86	\$4,399,174.78	\$5,599,482.19	\$5,037,279.43	\$5,027,961.23	\$6,673,819.59	\$7,374,664	\$8,015,338

Revenues through State of California:

Shared State Taxes:

*Motor Vehicle Fuel Tax:

Special Gas Tax Street Improvement Fund.....

Special Road Improvement Fund.....

Motor Vehicle Registration Fees.....

Motor Vehicle License Fees.....

Alcohol Beverage License Subsidy.....

Miscellaneous.....

State and Federal Grants-in-Aid:

Maintenance of Minors.....

Aid to Needy Children.....

Aid to Needy Blind.....

Aid to Needy Aged.....

Adoption Program.....

Inspection Services—Needy Aged and Children.....

Tuberculosis Aid Subsidy.....

Aid for Elementary Schools.....

Aid for High Schools.....

Aid for City College.....

County School Service Fund.....

Federal Aid to Schools.....

Child Care Center.....

Teachers' Retirement.....

Fire Boat Subsidy.....

Civilian War Assistance.....

Waterfront Expense Subsidy.....

Aid for Log Cabin Ranch.....

Post War Planning Projects.....

Public Health Subsidy.....

Recreation Department Subsidy.....

California Centennial Commission.....

School Cafeteria.....

Crippled Children Program.....

Rheumatic Heart Program.....

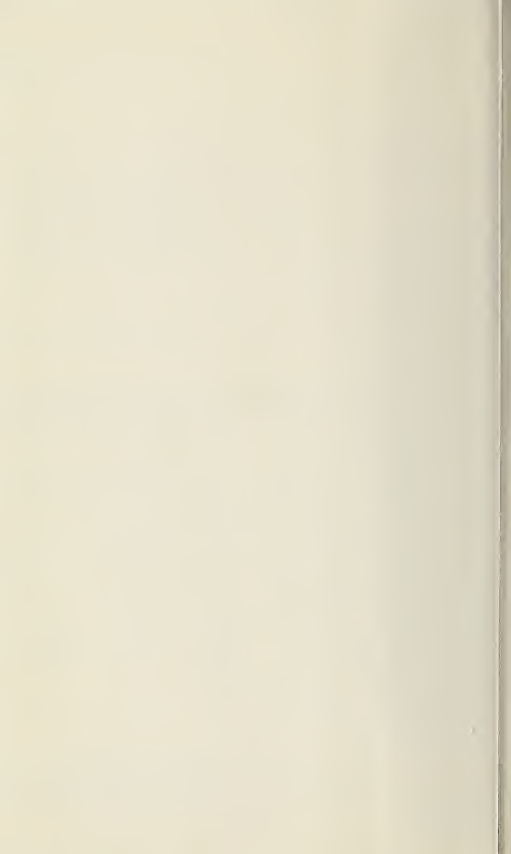
Total Revenues.....

\$13,458,754.56	\$12,733,205.53	\$14,284,689.73	\$14,483,886.28	\$15,885,324.20	\$18,270,856.03	\$26,047,275.23	\$23,915,871.07	\$27,449,099	\$36,449,752.78	\$119,778,194
\$54,701,503.43	\$54,570,558.40	\$57,080,170.00	\$60,068,512.35	\$64,870,874.08	\$73,186,224.20	\$88,637,803.92	\$98,466,758.96	\$119,778,194	\$119,778,194	\$119,778,194

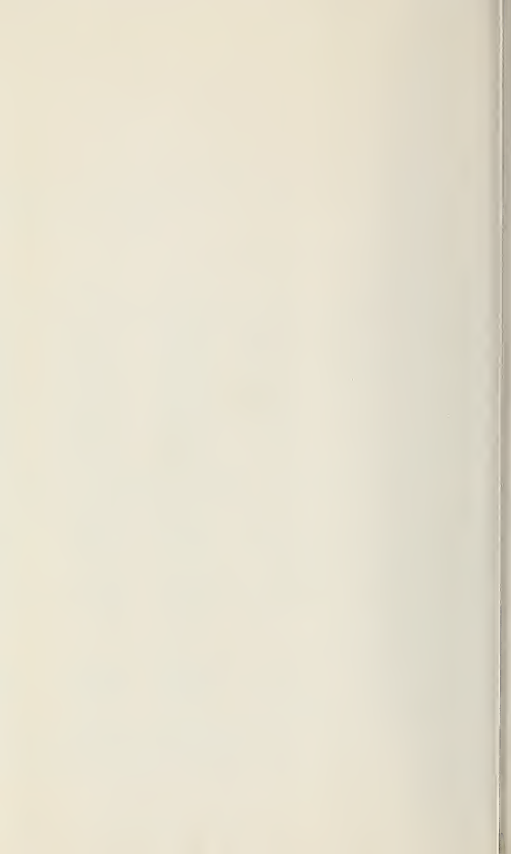
*Does not include amount apportioned to the State Highway Trust Fund.

**Denotes Deduction.

(a) Cents Omitted.



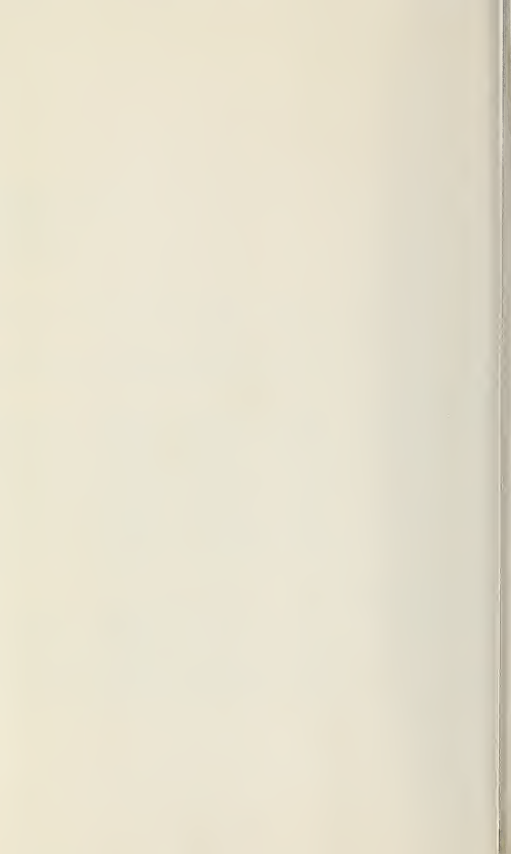
FISCAL YEAR ENDED JUNE 30		1951 (a)	
	1950 (a)	1949	1948
Departmental Expenditures:			
General Government	\$ 3,966,206.85	\$ 4,017,123.70	\$ 4,604,101.27
Public Safety	7,383,683.83	7,285,237.56	8,531,317.55
Highways	1,388,509.01	1,364,362.04	1,649,035.34
Sanitation and Waste Removal	1,187,541.87	1,099,575.42	1,283,185.36
Hospitals	2,982,139.61	3,009,897.72	3,871,672.83
Charities	9,977,279.32	8,526,659.14	9,054,016.99
Correction	365,559.67	406,604.47	647,779.55
Schools	10,554,510.05	10,689,884.92	12,809,969.37
Libraries	408,827.12	396,335.77	509,678.71
Recreation	2,611,784.64	2,558,841.58	4,221,776.93
Total Departmental Expenditures	\$41,650,845.56	\$43,169,626.38	\$58,452,825.60
Bond Redemptions	\$ 3,165,100.00	\$ 3,290,100.00	\$ 3,115,000.00
Bond Interest	1,698,242.08	1,557,787.83	1,031,769.30
Other Interest	54,597.78	80,481.06	2,125.00
Pensions and Compensation Insurance	2,631,942.56	2,874,331.99	4,457,477.00
Judgments and Losses	40,616.78	39,570.42	34,483.47
Contributions to Public Service Enterprises:			
Hetch Hetchy Project	2,164,453.33	2,073,920.99	2,079,484.21
Airports	368,576.37	385,466.17	891,489.22
Municipal Railway			
Public Utilities Commission:			
Light, Heat and Power Bureau	1,473,319.95	570,504.45	2,733,964.71
Civilian Defense	348,154.57	695,311.27	22,893.96
Contributions to Other Civil Divisions	141,000.00	131,000.00	181,598.36
Sponsors Contributions to P.W.A. Projects	795,964.41	498,803.72*	1,817,305.93
Miscellaneous, net			
Total Expenditures	\$54,393,899.47	\$51,694,083.01	\$62,900,768.02
*Denotes Credit.			
(a) Cents Omitted.			



CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
STATEMENT OF OPERATIONS
Fiscal Years 1941-42 to 1950-51

FISCAL YEAR ENDED JUNE 30

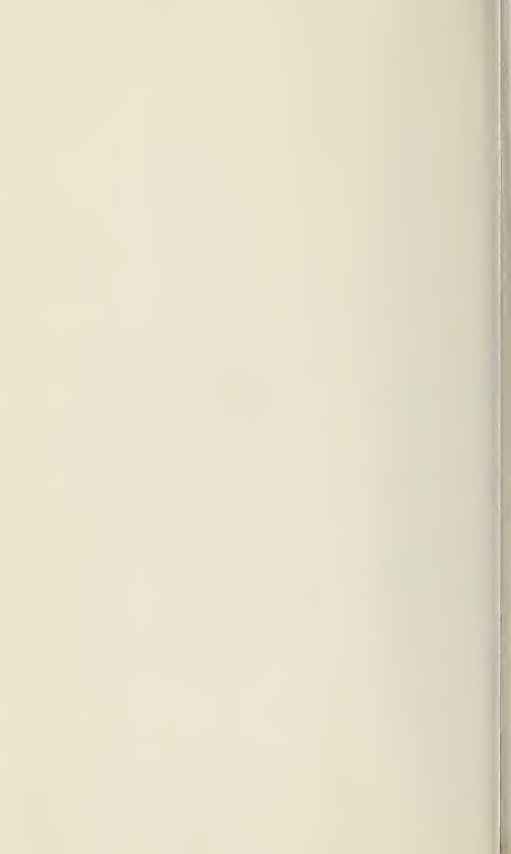
	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
Water Sales.....	\$7,718,881.72	\$8,235,668.86	\$8,367,222.01	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,377.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90
Operating Expenses:										
Provision for Depreciation.....	962,490.24	972,746.92	984,484.87	988,986.46	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04
Other Operating Expenses..	2,872,739.26	2,878,890.49	3,016,691.23	3,150,174.09	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92
	\$3,835,229.50	\$3,851,637.41	\$4,001,176.10	\$4,139,160.55	\$4,146,198.39	\$7,480,106.64	\$7,686,806.75	\$8,222,348.54	\$7,337,690.49	\$7,312,410.96
Profit from Operations.....	\$3,883,652.22	\$4,384,031.45	\$4,366,045.91	\$4,271,672.04	\$5,893,970.98	\$3,039,244.71	\$2,927,770.29	\$2,710,006.01	\$2,813,409.01	\$3,486,422.94
Other Income.....	126,673.93	136,295.72	146,623.43	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98
	\$4,010,326.15	\$4,520,327.17	\$4,512,669.34	\$4,389,770.56	\$6,062,915.61	\$3,250,018.31	\$3,107,685.44	\$2,955,599.37	\$3,015,060.23	\$3,723,669.92
Other Expenses:										
Interest on Bonded Debt.....	\$1,584,383.34	\$1,516,863.35	\$1,449,343.31	\$1,381,870.00	\$1,314,303.33	\$1,246,783.33	\$1,179,263.34	\$1,111,743.33	\$1,052,577.44	\$984,957.50
Other.....	37,264.14	35,445.14	34,684.40	36,700.00	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53
	\$1,621,647.48	\$1,552,308.49	\$1,484,027.71	\$1,418,570.00	\$1,361,940.72	\$1,305,284.84	\$1,219,290.59	\$1,162,623.25	\$1,097,016.87	\$1,029,832.03
Net Income.....	\$2,388,678.67	\$2,968,018.68	\$3,028,641.63	\$2,971,000.56	\$4,700,974.89	\$1,944,733.47	\$1,888,394.85	\$1,792,976.12	\$1,918,043.36	\$2,699,837.89



CITY AND COUNTY OF SAN FRANCISCO HETCH HETCHY WATER SUPPLY AND POWER PROJECT STATEMENT OF OPERATIONS Fiscal Years 1941-42 to 1950-51

FISCAL YEAR ENDED JUNE 30

	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
Power Sales.....	\$9,007,253.64	\$8,473,182.15	\$3,858,824.91	\$8,444,738.44	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12
Less P. G. & E. Distribution Commission.....	6,579,477.71	6,069,120.63	799,432.23	5,939,609.99						
Standby Charge and Sale of Water to the S. F. Water Dept.....	\$2,427,775.93	\$2,404,061.52	661,277.00	661,277.00	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00
Operating Expenses:										
Provision for Depreciation.....	\$1,574,351.41	\$1,576,429.92	\$1,647,730.44	\$1,520,856.59	\$1,518,809.10	\$1,514,979.47	\$1,509,904.71	\$1,507,862.87	\$1,507,862.87	\$1,646,000.00
Other Operating Expenses.....	450,896.84	469,871.22	1,157,272.28	575,028.50	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,774,000.00
Profit from Operations.....	\$1,063,804.68	\$1,019,077.38	\$1,000,357.70	\$ 943,646.51	\$ 791,063.38	\$3,955,902.87	\$3,541,383.11	\$3,900,374.23	\$ 3,516,538.05	\$ 4,475,000.00
Other Income.....	7,654.88	6,095.92	5,992.78	6,060.19	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94	29,175.00
Other Expenses:										
Interest on Bonded Debt.....	\$2,746,191.88	\$2,647,734.38	\$2,541,236.86	\$2,438,759.37	\$2,336,295.22	\$2,233,977.70	\$2,131,660.21	\$2,029,342.71	\$1,927,557.11	\$1,900,000.00
Other.....	6,701.77	6,000.00	74,777.16	116,029.64	87,910.45					
Net Loss.....	\$1,681,434.09	\$1,677,472.11	\$1,609,663.54	\$1,489,052.67	\$1,652,286.00	\$2,321,888.15	\$2,131,660.21	\$2,029,342.71	\$1,967,807.00	\$1,959,425.10
Net Income.....						\$1,653,079.86	\$1,432,556.25	\$1,894,467.25	\$1,616,436.51	\$1,599,425.10



CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY
STATEMENT OF OPERATIONS
Fiscal Years 1941-42 to 1950-51

FISCAL YEAR ENDED JUNE 30

	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
Revenues.....	\$4,335,395.90	\$5,617,368.12	\$6,713,700.75	\$15,119,772.51	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29
Operating Expenses:										
Depreciation.....	411,234.86	415,961.68	710,280.90	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02
Other Operating Expenses.....	3,598,026.17	4,318,024.23	5,068,178.86	12,161,011.97	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01
	\$4,009,261.03	\$4,733,985.91	\$5,778,459.76	\$12,987,027.52	\$16,124,018.00	\$19,557,473.66	\$19,627,403.21	\$20,848,597.61	\$20,678,077.13	\$19,537,887.03
Profit from Operations.....	326,134.87	883,382.21	935,240.99	2,132,744.99	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*
Other Income.....	24,171.74	14,748.85	9,346.45	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20
	\$ 350,306.61	\$ 898,131.06	\$ 944,587.44	\$ 2,142,272.17	\$ 1,326,274.14	\$ 467,039.90*	\$ 1,295,301.99*	\$ 2,243,436.71*	\$ 1,815,592.12*	\$ 1,149,019.54*
Other Expenses:										
Interest on Market Street Railway purchase.....				126,904.11	119,808.08	85,721.02	64,725.99			
Interest on Bonded Debt.....	57,083.33	52,083.33	47,083.34	42,083.33	37,083.33	32,083.34	30,727.50	27,194.70	259,419.92	284,605.11
Other.....					78,085.29		202,926.02	27,160.01		96,784.97
	\$ 57,083.33	\$ 52,083.33	\$ 47,083.34	\$ 168,987.44	\$ 234,976.70	\$ 117,804.36	\$ 298,379.51	\$ 27,160.01	\$ 259,419.92	\$ 381,390.10
Net Income.....	\$ 293,223.28	\$ 846,047.73	\$ 897,504.10	\$ 1,973,284.73	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 88,007.11	\$ 2,055,012.04*	\$ 1,530,409.64*

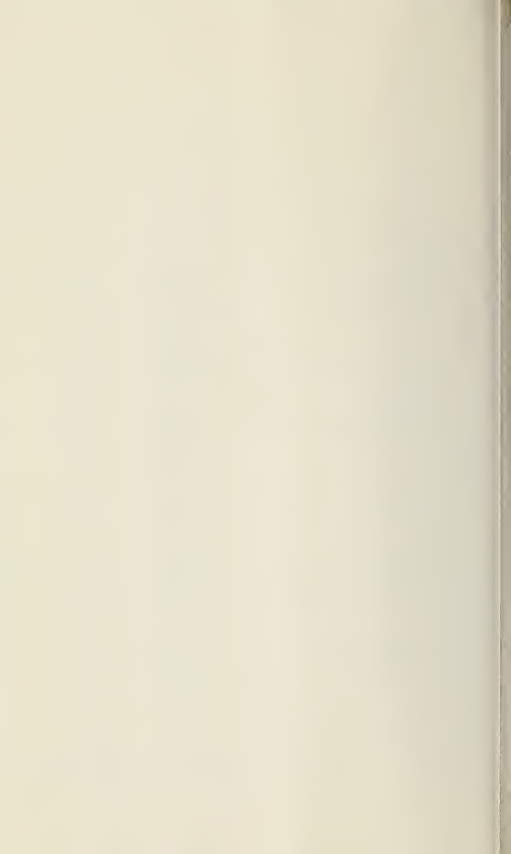
*Denotes Loss.



CITY AND COUNTY OF SAN FRANCISCO
AIRPORT
STATEMENT OF OPERATIONS
Fiscal Years 1941-42 to 1950-51

FISCAL YEAR ENDED JUNE 30

	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951
Revenues:										
Landing Charges.....	\$ 18,692.50	\$ 16,375.00	\$ 19,057.50	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$ 118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28
Rentals.....	23,486.46	23,621.36	27,769.77	33,779.55	43,199.02	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60
Other.....	2,730.59	2,782.09	4,057.30	7,445.96	17,668.14	99,430.73	101,127.58	195,573.44	246,869.66	298,727.32
Operating Expenses:										
Depreciation.....	\$ 57,312.17	\$ 201,205.99	\$ 201,719.74	\$ 209,406.13	\$ 214,777.76	\$ 434,979.48	\$ 434,958.82	\$ 638,043.10	\$ 648,646.19	\$ 823,339.87
Other Operating Expenses.....	91,966.20	81,487.48	91,006.06	122,568.14	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30
Loss from Operations.....	\$149,278.37	\$282,693.47	\$292,725.80	\$331,974.57	\$362,411.98	\$689,900.97	\$823,792.51	\$1,144,219.73	\$1,219,707.55	\$1,406,773.17
Other Income.....	\$104,368.82	\$239,915.02	\$241,841.23	\$258,184.06	\$253,348.27	\$401,875.23	\$460,964.74	\$ 720,266.45	\$ 698,845.10	\$ 759,488.97
Interest on Bonded Debt.....	\$ 99,481.74	\$229,939.63	\$232,171.01	\$247,631.25	\$240,621.20	\$382,941.35	\$435,056.99	\$ 690,051.28	\$ 673,491.91	\$ 725,763.87
Other Expense.....	25,157.89	29,389.17	26,172.04	20,959.33	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41
Net Loss.....	\$124,639.63	\$259,328.80	\$258,343.05	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$ 796,419.72	\$ 810,076.44	\$ 849,145.50



CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES
For the 10 Year Period July 1, 1941 to June 30, 1951

BALANCES JUNE 30, 1951				BALANCES JULY 1, 1941			
Buildings, Structures and Improvements		Land		Buildings, Structures and Improvements		Land	
Total		Total		Total		Total	

\$ 800,035.87	\$ 3,000.00*	\$ 63,096.10	\$ 739,939.77	\$ 9,680,243.25	\$ 2,232,954.63	\$ 4,158,704.60	\$ 3,288,\$84.02	\$ 8,880,207.38	\$ 2,235,954.63	\$ 4,095,608.50	\$ 2,548,644.25
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Public Safety:	Fire Department.....	1,623,297.58	30,511.63	259,595.73	1,333,190.22	14,013,072.04	657,608.86	8,981,802.68	4,373,660.50	12,389,774.46	8,722,206.95
	Police Department.....	902,921.04	11,839.00	146,917.34	744,164.70	4,323,870.59	770,780.10	2,111,604.96	1,441,485.53	758,941.10	697,320.83
	Department of Electricity.....	30,813.39	.....	30,813.39	.....	903,187.46	44,000.00	723,953.40	135,234.06	872,374.07	723,953.40

Highways:	Streets, Tunnels, Bridges, etc.....	18,182,769.44	3,801,131.27	14,210,315.93	171,322.24	80,222,670.29	10,938,302.34	69,113,009.21	171,358.74	62,039,900.85	54,902,693.28
	Asphalt Plant.....	8,096.98	.....	2,100.00	5,996.98	256,832.57	286,798.64	82,100.00	174,732.57	248,735.59	80,000.00
	Sanitation:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Sewers and Sewage Disposal Plants.....	26,463,305.30	1,687,826.02	24,576,049.57	199,429.71	48,028,479.37	1,772,469.42	45,970,028.60	285,981.35	21,565,174.07	84,643.40
	Street Cleaning Department.....	270,467.59	.....	571,627.57	48,028,479.37	571,627.57	1,772,469.42	45,970,028.60	285,981.35	21,565,174.07	84,643.40
	Garbage Incinerator.....	50,000.00*	.....	.....	.....	80,142.60	15,000.00	65,142.60	.....	130,142.60	65,000.00

Health Conservation:	Hassler Health Home.....	65,331.70	16,505.42	48,826.28	1,302,620.71	1,126,568.18	1,126,568.18	1,126,568.18	1,126,568.18	1,126,568.18	1,126,568.18
	Civic Center Health Building.....	188,075.03	575.00*	9,298.48	179,351.55	1,325,698.52	158,013.49	908,744.20	1,137,623.49	158,588.49	899,443.72
	Excelsior Health Building.....	190.00*	190.00*	.....	85,196.04	14,447.50	14,447.50	66,618.18	11,036	14,637.50	4,130.36

Hospitals:	San Francisco Hospital.....	466,634.11	.....	318,682.51	6,844,648.19	5,074,674.88	5,074,674.88	5,074,674.88	5,074,674.88	5,074,674.88	5,074,674.88
	Emergency Hospitals.....	49,255.20	.....	49,255.20	287,043.73	10,999.70	10,999.70	82,969.15	19,074.88	237,788.53	82,969.15
	Charities:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	Laгуna Honda Home.....	147,698.83	4,937.85*	19,505.59	5,180,794.83	25,062.15	4,459,622.37	696,110.41	5,033,096.00	30,000.00	4,440,271.78
	S. F. Welfare Department.....	365,732.80	137,500.00	167,500.00	367,801.27	137,500.00	162,500.00	67,904.27	2,068.47	.....	.....
	Corrections:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

	County Jail.....	8,120.01	8,750.00*	16,870.01	382,993.34	38,157.31	800,253.01	29,002.50	859,794.11	46,906.52	800,253.01
	Youth Guidance Center.....	3,903,032.53	50,400.00	5,816,712.03	38,420.50	3,903,032.53	50,400.00	3,816,621.07	112,420.16	208,653.78	10,310.00
	Log Cabin Ranch.....	181,712.40	25,110.09	147,297.71	28,814.60	181,712.40	1,694.92	127,787.71	28,811.00	.....	.....

	Juvenile Girls Dormitory.....	1,694.92	.....	696.92	1,694.92	1,694.92	1,694.92	1,694.92	1,694.92	1,694.92	1,694.92
	Schools:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Libraries.....	290,350.90	14,841.88	3,738,503.07	2,310,778.22	64,176,311.26	44,571,205.80	150,679.96	3,464,099.25	9,745,923.33	37,592,899.72

	Recreation:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Playgrounds and Swimming Pools.....	2,893,934.41	326,796.35	108,675.28	8,225,699.33	3,407,714.57	4,549,110.90	268,871.11	5,331,764.92	3,080,918.22	2,090,647.54
	Museums, Art Galleries, etc.....	219,420.80	.....	10,731.28	1,500,598.43	1,181,148.18	194,304.55	1,281,177.63	1,281,177.63	1,077,535.67	1,077,535.67

	War Memorial and Opera House.....	10,731.28	.....	3,113.93	5,416,086.47	4,797,139.19	153,759.96	5,405,353.19	24,987,998.59	4,789,521.96	4,789,521.96
	Parks and Squares.....	2,659,247.29	1,076,194.25	242,412.16	27,647,245.88	20,920,526.43	6,141,949.47	15,288,823.87	2,296,476.78	4,801,308.42	4,801,308.42
	Auditorium.....	12,976.72	.....	1,12.87	2,309,453.50	701,437.00	1,528,823.87	29,194.57	2,296,476.78	1,526,712.98	1,526,712.98

* Denotes decrease.

Miscellaneous.....	10,418.01*	129,104.35*	182,678.41	15,525.00	20,231.76	166,895.47	4,000.00	166,895.47	516,773.20	149,250.11	125,618.19
Retirement System.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Central Warehouse and Corporation Yard.....	604,916.53	182,678.41	15,525.00	20,231.76	166,895.47	4,000.00	166,895.47	516,773.20	149,250.11	125,618.19	8,481.43



CITY AND COUNTY OF SAN FRANCISCO ADDITIONS TO PROPERTIES—BY SOURCE OF FUNDS For the 10 Year Period July 1, 1941 to June 30, 1951

Equipment	Buildings, Structures and Improvements	Land	Total
\$3,456,904.57	\$4,392,009.72	\$ 262,756.29	\$ 8,111,670.58
341,119.79	1,277,745.77	1,248,564.29	2,867,429.85
65,671.96	209,665.73	16,666.88	292,004.57
21,129.43	41,553.71	62,683.14	115,377.17
91,728.80	62,058.85	153,787.65	3,644,737.15
166,638.75	2,848,314.36	629,784.04	5,063,696.74
2,089,761.85	2,785,387.69	2,634,171.72	6,766,703.35
	464,521.12	498,062.21	962,583.33
\$6,236,786.65	\$14,131,722.40	\$ 7,568,314.48	\$27,936,823.53
			\$ 861,781.39*
			\$ 704,240.80*
			\$ 157,540.59*
			\$ 111,815.92*
			\$ 107,990.04
			\$ 13,465.53
			\$ 2,831.99
			\$ 6,850.00
			\$ 2,159.58
			\$ 72,649.58
			\$ 181.41*
			\$ 47,916.92*
			\$ 41,188.09*
			\$ 77,306.72
			\$ 748,018.57
			\$ 3,869.08
			\$ 38,420.50
			\$ 3,266.85
			\$ 19,061.87
			\$ 226,600.43
			\$ 4,370,417.48
			\$ 7,283,157.98
			\$ 286,798.64
			\$ 29,339.50
			\$ 520,673.44
			\$ 85,544.25
			\$ 301,245.81
			\$ 1,654,800.62
			\$ 16,222.00
			\$ 98,344.97
			\$ 15,166,200.64
			\$ 3,803,556.25
			\$ 6,510,339.66
			\$ 3,189,534.62
			\$ 4,370,417.48
			\$ 7,283,157.98
			\$ 286,798.64
			\$ 29,339.50
			\$ 520,673.44
			\$ 85,544.25
			\$ 301,245.81
			\$ 1,654,800.62
			\$ 16,222.00
			\$ 98,344.97
			\$ 15,166,200.64
			\$ 3,803,556.25
			\$ 6,510,339.66
			\$ 3,189,534.62
			\$ 4,370,417.48
			\$ 7,283,157.98
			\$ 286,798.64
			\$ 29,339.50
			\$ 520,673.44
			\$ 85,544.25
			\$ 301,245.81
			\$ 1,654,800.62
			\$ 16,222.00
			\$ 98,344.97
			\$ 15,166,200.64
			\$ 3,803,556.25
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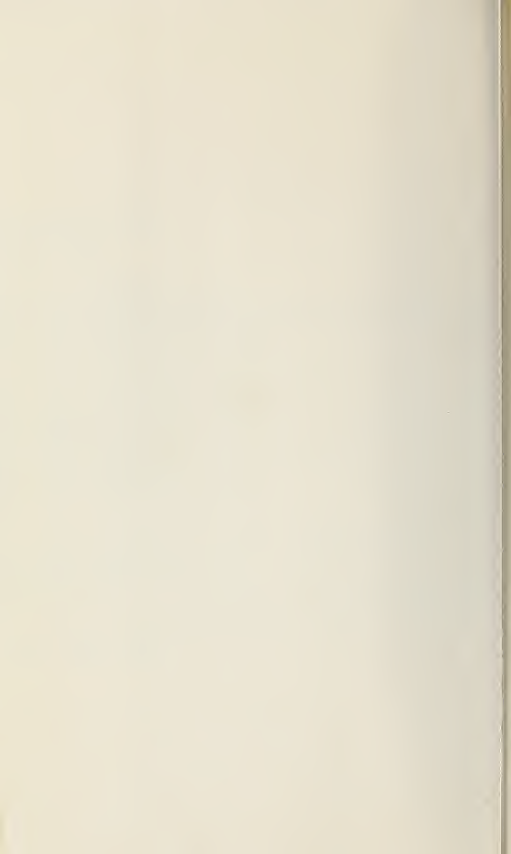
CITY AND COUNTY OF SAN FRANCISCO
ASSESSMENT ROLLS
Fiscal Years 1941-42 to 1951-52

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem Tax	Rate	Solvent Credits 10c per \$100	Total Roll
1941-42	Unsecured—City and County Assessor.		306,293,403	352,478,552	78,646,149		7,177,626	4.295	142,993,769	221,639,918
	Secured—City and County Assessor.		15,601,250	40,883,490	32,908,920		7,177,626	4.396	7,093,451	665,325,962
	Secured—State Board of Equalization		\$321,894,653	\$393,362,042	\$118,391,251	\$ 7,177,626	\$ 826,470,320	4.396	37,404,630	126,798,290
1942-43	Unsecured—City and County Assessor.		301,953,723	358,549,932	82,047,025		7,472,254	4.396	181,984,678	264,031,703
	Secured—City and County Assessor.		15,350,210	40,765,910	32,143,990		7,472,254	4.48	12,683,175	679,437,630
	Secured—State Board of Equalization		\$317,303,933	\$399,315,842	\$122,265,876	\$ 7,472,254	\$ 831,413,997	4.48	65,823,540	154,085,650
1943-44	Unsecured—City and County Assessor.		297,567,134	361,878,165	82,381,222		7,450,642	4.48	241,961,343	324,292,565
	Secured—City and County Assessor.		14,843,520	41,293,890	32,631,960		7,450,642	4.36	14,162,320	676,038,862
	Secured—State Board of Equalization		\$312,410,654	\$403,172,055	\$124,865,067	\$ 7,450,642	\$ 832,997,134	4.36	87,100,960	175,870,330
1944-45	Unsecured—City and County Assessor.		296,176,585	366,358,175	92,459,287		7,636,645	4.36	256,383,063	348,842,350
	Secured—City and County Assessor.		14,344,980	41,092,340	32,916,780		7,636,645	4.69	12,540,908	675,168,939
	Secured—State Board of Equalization		\$310,521,565	\$407,450,515	\$133,105,983	\$ 7,636,645	\$ 843,441,418	4.69	306,612,656	404,795,294
1945-46	Unsecured—City and County Assessor.		293,953,215	371,684,405	98,182,638		8,684,634	4.83	306,612,656	404,795,294
	Secured—City and County Assessor.		11,365,640	40,280,850	31,957,590		8,684,634	4.83	10,681,189	673,517,347
	Secured—State Board of Equalization		\$307,318,855	\$411,964,255	\$136,024,400	\$ 8,684,634	\$ 846,622,876	4.83	327,758,150	136,363,230
1946-47	Unsecured—City and County Assessor.		297,150,419	379,741,490	110,180,654		8,466,634	4.83	291,963,083	402,143,337
	Secured—City and County Assessor.		11,291,570	41,736,690	32,053,820		8,466,634	5.55	9,912,900	674,554,330
	Secured—State Board of Equalization		\$308,441,989	\$421,477,980	\$147,754,010	\$ 8,466,634	\$ 860,706,141	5.55	62,003,210	147,089,290
1947-48	Unsecured—City and County Assessor.		304,975,992	403,718,630	150,379,489		8,466,634	5.55	328,391,441	474,305,882
	Secured—City and County Assessor.		11,441,450	43,692,360	33,962,940		8,466,634	5.62	7,763,326	686,376,217
	Secured—State Board of Equalization		\$316,417,442	\$447,410,990	\$189,153,890	\$ 8,466,634	\$ 913,618,182	5.62	32,003,210	121,129,930
1948-49	Unsecured—City and County Assessor.		333,507,884	426,062,240	176,254,123		8,466,634	5.62	388,793,008	562,876,581
	Secured—City and County Assessor.		11,566,170	49,385,230	35,695,010		8,466,634	6.09	8,097,591	737,450,815
	Secured—State Board of Equalization		\$345,074,054	\$475,447,470	\$219,002,233	\$ 8,466,634	\$1,000,083,207	6.09	\$430,099,919	\$1,430,183,126
1949-50	Unsecured—City and County Assessor.		338,327,522	447,097,465	187,081,075		8,466,634	6.09	413,302,218	598,014,362
	Secured—City and County Assessor.		11,634,050	60,688,430	40,147,520		8,466,634	6.29	10,463,329	764,111,391
	Secured—State Board of Equalization		\$349,961,572	\$507,786,005	\$252,223,381	\$ 8,466,634	\$1,050,830,316	6.29	\$458,228,977	\$1,509,059,293
1950-51	Unsecured—City and County Assessor.		338,486,080	468,437,890	180,373,612		8,466,634	6.29	446,958,945	619,486,025
	Secured—City and County Assessor.		11,594,320	64,845,180	34,183,400		8,466,634	6.29	11,803,700	781,698,378
	Secured—State Board of Equalization		\$350,080,400	\$533,284,277	\$233,779,507	\$ 8,466,634	\$1,061,694,577	6.29	\$496,153,766	\$1,557,848,433
1951-52	Unsecured—City and County Assessor.		340,139,080	492,967,430	109,084,454		2,242,564	6.29	541,127,205	738,126,095
	Secured—City and County Assessor.		15,762,340	66,620,930	11,853,110		124,236,380	6.19	58,641,660	182,878,040
	Secured—State Board of Equalization		\$356,201,420	\$539,588,370	\$247,433,380	\$ 8,466,634	\$1,121,477,076	6.19	\$609,095,609	\$1,730,572,625
Total										

CITY AND COUNTY OF SAN FRANCISCO
DETAIL OF TAX RATES

Fiscal Years 1942-43 to 1951-52

	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52
General Fund—Charter Limit \$1.65.....	1.438962	1.540239	1.401275	1.324581	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879
General Fund—Other Necessary Expenditures Not Limited.....	.702603	.685519	.788845	.788891	.886788	1.332376	1.415456	1.320391	1.481594	1.444522
Unified School District.....	.797869	.733157	.984317	1.132731	1.225865	1.366733	1.645139	1.299661	1.562837	1.702265
Recreation.....	.074449	.084193	.114408	.127712	.148002	.128131	.139433	.126423	.....	.....
Park.....	.162452	.158809	.177261	.177718	.231787	.194877	.272223	.203699	.....	.....
Recreation and Park.....	.049459	.056209	.059224	.077863	.092736	.079649	.085277	.079214	.103886	.083429
Library.....	.236446	.265255	.280470	.367666	.415228	.607937	.572093	.761183	.728602	.768251
Employees' Retirement.....	.639974	.605890	.550637	.534730	.562023	.427027	.345373	.232312	.257541	.225908
Bond Interest and Redemption.....	.012941	.016515	.019073	.018125	.028140	.024749	.046452	.019540	.041135	.020559
California Palace of the Legion of Honor.....	.009885	.010502	.012274	.012867	.023237	.015741	.021058	.015651	.015651	.017172
War Memorial.....	.013079	.013727	.013011	.010328	.030623	.014676	.019291	.017742	.021101	.016755
Publicity and Advertising.....	.036083	.022683	.023841	.023595	.036508	.031683	.027403	.026161	.026098	.024423
Tax Judgments.....	.011639	.003266	.011044	.....	.....	.....	.....	.....	.....	.....
Child Care Centers.....	.005006	.004846	.004730	.000047	.150632	.130660	.129071	.093146	.103213	.096888
Interest on Tax Anticipation Notes.....	.045738	.044040	.041186	.050770	.111692	.030353	.030325	.203735	.190286	.118155
Lighting Public Streets and Buildings.....	.144137	.016494	.094667	.052728	.....	.....	.....	.....	.119469	.170008
Hetch Hetchy Water Supply.....	.....	.....	.....	.....	.....	.....	.215088	.....	.....	.....
Airport.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railway.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
P. U. C. Purchase of California St. Cable R. R. Co.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Levy.....	4.48	4.36	4.69	4.83	5.55	5.62	6.09	5.66	6.29	6.19



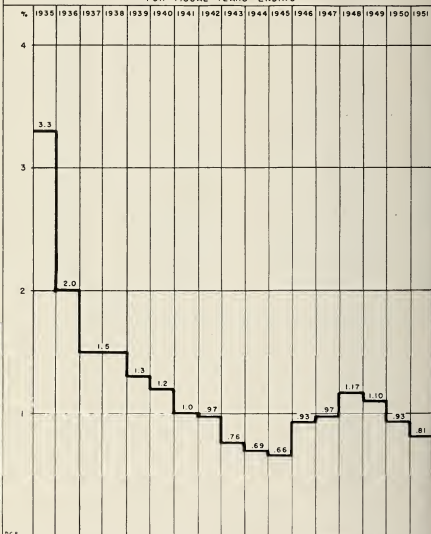
CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES

Fiscal Years 1931-32 to 1950-51

Fiscal Year	Amount of Levy	Uncollected at June 30		Uncollected at June 30, 1951	
		Amount	%	Amount	%
1931-32.....	\$32,714,462.72	\$ 718,830	2.20	\$ 45,360*	.14
1932-33.....	31,752,725.86	1,706,581	5.37	230,241	.73
1933-34.....	26,583,269.62	1,316,809	4.95	161,742	.61
1934-35.....	28,808,182.68	958,096	3.33	27,214	.09
1935-36.....	30,634,662.45	612,784	2.00	24,850	.08
1936-37.....	30,986,643.33	449,704	1.45	21,230	.07
1937-38.....	31,994,074.61	483,081	1.50	30,975	.10
1938-39.....	33,337,811.68	442,132	1.32	19,761	.06
1939-40.....	32,575,922.01	390,407	1.19	28,058	.09
1940-41.....	35,162,784.71	367,339	1.04	43,257	.12
1941-42.....	36,469,224.70	354,994	.97	67,810	.19
1942-43.....	37,469,083.07	288,158	.76	62,545	.17
1943-44.....	36,797,770.96	254,508	.69	50,585	.14
1944-45.....	39,647,406.19	262,652	.66	37,714	.10
1945-46.....	41,184,389.39	380,975	.93	51,689	.13
1946-47.....	47,374,327.51	457,779	.97	98,498	.21
1947-48.....	51,718,353.83	602,680	1.17	258,238	.50
1948-49.....	60,779,269.51	669,631	1.10	257,017	.42
1949-50.....	60,858,563.25	567,617	.93	252,259	.41
1950-51.....	66,522,057.12	537,393	.81	537,393	.81

*Includes delinquent taxes for 1931-32 and those of prior years.

CITY AND COUNTY OF SAN FRANCISCO
PERCENTAGES OF TAX DELINQUENCY
 FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1951-52

	<u>Valuation</u>	<u>Tax Yield</u>	<u>Rate per \$100</u>
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements.....	\$ 833,406.520		
Tangible Personal Property.....	13,490,816		
Less Veterans' and Welfare Exemptions.....	46,503.530		
	800,393.806	\$49,544,539.68	6.19
Solvent Credits.....	9,174.744	9,173.84	.10
Total	809,568,550	49,553,713.52	
Unsecured Personal Property (Collected):			
Tangible Personal Property.....	105,195,187		
Less Veterans' and Welfare Exemptions.....	1,837,809		
	103,357,378	6,501,289.42	6.29
Solvent Credits.....	409,652.144	409,660.52	.10
Total	513,009,522	6,910,949.94	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property.....	93,894,267		
Less Veterans' and Welfare Exemptions.....	404,755		
	93,489,512	5,880,513.21	6.29
Solvent Credits.....	131,627,061	131,629.26	.10
Total	225,116,573	6,012,142.47	
Total Assessed by City and County Assessor	1,547,694,645	62,476,805.93	
Taxes on property assessed by State Board of Equalization:			
Real Estate and Improvements.....	82,383,270		
Tangible Personal Property.....	41,853,110	7,690,232.42	6.19
Solvent Credits.....	58,641,660	58,641.66	.10
Total Assessed by State Board of Equalization.....	182,878,040	7,748,874.08	
Total of above Assessments.....	\$1,730,572,685		
Total Tax Yield 1951-52.....		70,225,680.01	
Reassessments.....		480.56	
TOTAL TAX YIELD		\$70,226,160.57	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AT JUNE 30, 1951

Maximum Limit:

12% of 1951-52 Assessment Roll (\$1,730,572,685) \$207,668,722

Bonded Debt Not Matured June 30, 1951:

Total	\$182,077,000	
Exempt from 12% limit (a)	82,270,000	99,807,000

Limit of Future Bond Sales (Subject to 12% limit)		\$107,861,722
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Unissued (Unsold) Bonds, June 30, 1951:

	Total	Exempt from 12% Limit	Subject to 12% Limit
1947 Municipal Ry. Rehabilitation	\$ 650,000		\$ 650,000
1947 Street Improvement	11,450,000		11,450,000
1947 Off-Street Parking	5,000,000		5,000,000
1947 Hetch Hetchy Water	1,700,000	\$1,700,000	
1947 Recreation	6,270,000		6,270,000
1948 Sewage Treatment	4,450,000		4,450,000
1948 Schools	31,890,000		31,890,000
1949 Airport	4,100,000		4,100,000
1949 Cherry Valley Dam	4,000,000	4,000,000	
Total	\$69,510,000	\$5,700,000	\$63,810,000

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:

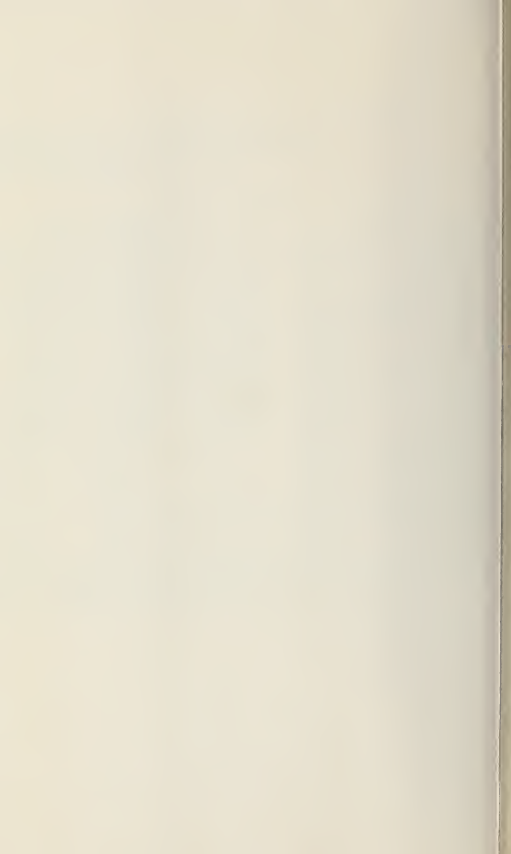
For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

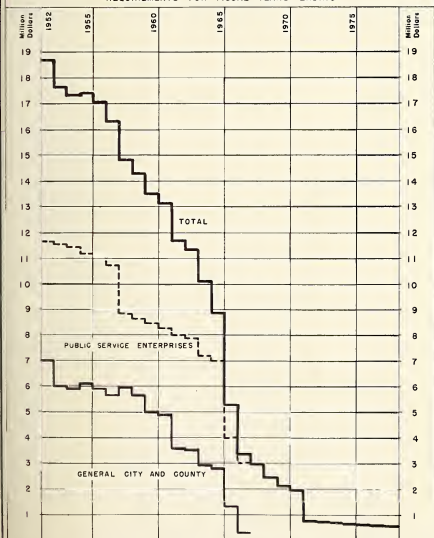
CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS
AS AT JUNE 30, 1951

GENERAL CITY, INCLUDING S. F. U. S. D.				PUBLIC SERVICE ENTERPRISES			
Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1951-52	\$18,698,901.25	\$ 7,034,473.75	\$ 5,653,000	\$1,381,497.50	\$ 8,031,000	\$ 8,031,000	\$ 3,633,427.50
1952-53	17,656,645.00	6,071,215.00	4,865,000	1,206,215.00	11,555,430.00	8,182,000	3,373,430.00
1953-54	17,333,018.75	5,892,805.00	4,824,000	1,068,805.00	11,440,213.75	8,325,000	3,115,213.75
1954-55	17,414,806.25	6,198,817.50	5,239,000	959,817.50	11,215,988.75	8,331,000	2,884,988.75
1955-56	17,049,673.75	5,894,867.50	5,038,000	856,867.50	11,154,806.25	8,480,000	2,674,806.25
1956-57	16,355,171.25	5,665,688.75	4,907,000	758,688.75	10,689,482.50	8,231,000	2,458,482.50
1957-58	14,799,497.50	5,968,373.75	5,307,000	661,373.75	8,831,123.75	6,574,000	2,257,123.75
1958-59	14,318,673.75	5,664,125.00	5,106,000	558,125.00	8,654,548.75	6,594,000	2,060,548.75
1959-60	13,522,815.00	5,069,880.00	4,611,000	458,880.00	8,452,935.00	6,594,000	1,858,935.00
1960-61	13,126,525.00	4,875,030.00	4,511,000	364,030.00	8,251,495.00	6,594,000	1,657,495.00
1961-62	11,640,636.25	3,588,848.75	3,311,000	277,848.75	8,051,787.50	6,595,000	1,456,787.50
1962-63	11,368,813.75	3,519,903.75	3,310,000	209,903.75	7,848,910.00	6,594,000	1,254,910.00
1963-64	10,116,137.50	2,903,135.00	2,762,000	141,135.00	7,213,002.50	6,161,000	1,052,002.50
1964-65	8,851,137.50	2,784,100.00	2,697,000	87,100.00	6,067,037.50	5,201,000	866,037.50
1965-66	5,315,905.00	1,325,985.00	1,281,000	44,985.00	3,989,920.00	3,268,000	721,920.00
1966-67	3,351,662.50	315,000.00	300,000	15,000.00	3,036,662.50	2,425,000	611,662.50
1967-68	2,933,305.00				2,933,305.00	2,425,000	508,305.00
1968-69	2,454,947.50				2,454,947.50	2,050,000	404,947.50
1969-70	2,110,965.00				2,110,965.00	1,800,000	310,965.00
1970-71	1,929,482.50				1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00				775,500.00	600,000	175,500.00
1972-73	748,500.00				748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	600,000	13,500.00
	\$225,180,220.00	\$72,772,248.75	\$63,722,000	\$9,050,248.75	\$152,407,971.25	\$118,355,000	\$34,052,971.25

Unsold bonds at June 30, 1951 in the amount of \$69,510,000 are not included.



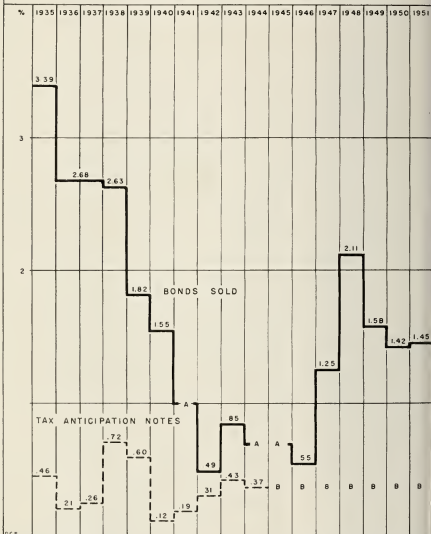
CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
 REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
 SOLD DURING FISCAL YEARS ENDING



A - No Bonds Sold

B - No Tax Anticipation Notes Sold

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT
Fiscal Years 1942-43 to 1951-52

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:		1943	1944	1945	1946	1947	1949	1950	1951	1952
General City Issues:										
Taxes.....	\$ 5,233,117.00	\$ 5,075,528.00	\$ 4,695,174.00	\$ 4,542,792.00	\$ 4,807,305.00	\$ 4,017,955.00	\$ 3,596,089.00	\$ 2,650,025.00	\$ 2,690,858.00	\$ 2,595,777.00
Special Road Improvement Fund.....	220,000.00	143,000.00	88,200.00	88,200.00	88,200.00	88,200.00		3,228,497.00	3,996,069.00	4,591,367.00
Capital Improvement Fund.....	40,000.00	115,381.00	29,726.00	12,596.00		516,250.00	1,719,797.00	136,932.00		
Surplus.....	5,493,117.00	5,333,909.00	4,813,100.00	4,643,588.00	4,895,505.00	4,622,405.00	5,315,886.00	6,015,454.00	6,686,927.00	7,187,144.00
Public Service Enterprises:										
Utility Earnings:										
Water Department.....	4,825,820.00	5,851,517.00	5,070,389.00	5,392,392.00	6,210,245.00	5,610,412.00	6,250,831.00	6,520,270.00	6,607,787.00	6,466,282.00
Hetch Hetchy Project.....	2,148,690.00	1,971,398.00	2,087,213.00	1,832,590.00	1,330,378.00	1,505,373.00	1,367,307.00	1,161,340.00	1,273,059.00	1,391,671.00
Municipal Railway.....	152,500.00	147,500.00	142,500.00	137,500.00	132,500.00	127,500.00	868,771.00	1,231,388.00	315,722.00	
Airport.....									124,584.00	366,099.00
Proceeds from Bond Funds.....				2,891.00						
Capital Improvement Fund (via Utility).....						1,162,500.00	2,358,085.00	1,166,765.00	968,202.00	620,151.00
Taxes (via Utility).....	1,586,503.00	557,720.00	1,059,48.00	792,007.00	849,565.00	294,710.00	289,855.00	1,665,360.00	3,105,818.00	2,827,550.00
Surplus.....	8,713,513.00	8,528,135.00	8,342,758.00	8,157,380.00	8,522,688.00	8,700,495.00	11,134,849.00	11,745,123.00	12,395,172.00	11,671,553.00
Total Budgeted Requirements.....		\$14,206,630.00	\$13,862,044.00	\$13,155,858.00	\$12,800,968.00	\$13,418,193.00	\$13,322,900.00	\$16,450,735.00	\$19,082,099.00	\$18,858,697.00



Office of the Controller



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1951

McLaren, Goode, West & Co.

Certified Public Accountants

444 CALIFORNIA STREET, SAN FRANCISCO 4

October 30, 1951

The Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

Dear Sirs:

In accordance with your resolution No. 11344, we have examined the books of account, records and transactions of the Controller of the City and County of San Francisco for the year ended June 30, 1951, and submit herewith our report which consists of the following exhibits with supporting schedules and comments thereon: Exhibit:

A—Balance sheet—June 30, 1951.

B—Comparative statement of revenues, expenses and current surplus—General City and County, for the years ended June 30, 1951 and 1950.

Schedule:

B-1—Comparative statement of departmental revenues—General City and County, for the years ended June 30, 1951 and 1950.

B-2—Comparative statement of departmental expenses—General City and County, for the years ended June 30, 1951 and 1950.

C—Fixed assets—General City and County—June 30, 1951.

D—Additions to fixed assets—General City and County—by funds and projects for the year ended June 30, 1951.

E—Summary balance sheet—Public Service Enterprises—June 30, 1951.

F—Summary of revenues, expenses and surplus—Public Service Enterprises, for the year ended June 30, 1951.

G—Bonds authorized but unissued—June 30, 1951.

H—Bonded indebtedness—June 30, 1951.

I—Fund balance sheets—June 30, 1951.

SCOPE OF EXAMINATION

The accounts of the Municipal Railway, San Francisco Water Department, Hetch Hetchy Water Supply and Power Project and the San Francisco Unified School District (a separate political entity but whose accounts are included herein) were examined by other certified public accountants. Cash, securities and accounts of the Treasurer's office were examined by the General Audit Division of the Controller's office. The examination of the accounts of the Employees' Retirement System by a firm of consulting actuaries and auditors and the examination of the accounts of the San Francisco Airport and the Public Utilities Commission by the Utility Audit Division of the Controller's office have not been completed and unaudited statements of these departments have been utilized in the preparation of this report.

Section 66 of the Charter provides for audit by the Controller of the accounts of all boards, officers and employees of the City and County who are charged in any manner with the custody, collection or disbursement of public funds. In accordance therewith audit staffs are maintained by both the General Audit and Utility Audit Divisions which make periodic examinations and investigations of various phases of the financial affairs of the City and County. In our examination, reliance has been placed on these internal audit procedures as well as upon reports of other public accountants.

OPINION

In our opinion, subject to the foregoing limitations on the scope of examination and to the comments which follow, the accompanying exhibits and schedules present fairly the financial position of the City and County of San Francisco at June 30, 1951 and the results of its operations for the year then ended, in conformity with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,

McLAREN, GOODE, WEST & CO.

REVENUES, EXPENSES AND CURRENT SURPLUS

Current surplus of the General City and County increased \$1,187,774 during the fiscal year 1950-51. Details of revenues, expenses and current surplus are shown in Exhibit B and supporting Schedules B-1 and B-2, of which the following is a summary:

Description	Year Ended June 30,		Increase Decrease*
	1951	1950	
Revenues	\$118,633,864	\$102,702,638	\$15,931,226
Expenses	105,420,501	91,970,473	13,450,028
Excess of revenues over expenses	\$ 13,213,363	\$ 10,732,165	\$ 2,481,198
Surplus charges—net	12,025,589	8,994,008	3,031,581
Increase in current surplus	\$ 1,187,774	\$ 1,738,157	\$ 550,383*
Current surplus, first of fiscal year	21,771,189	20,033,032	1,738,157
Current surplus, end of fiscal year	\$ 22,958,963	\$ 21,771,189	\$ 1,187,774

REVENUES:

Revenues increased \$15,931,226 or from \$102,702,638 in 1949-50 to \$118,633,864 in the year ended June 30, 1951. This increase is analyzed in the following summary:

State and Federal subventions	\$ 9,048,165
Property taxes	5,801,053
Departmental revenues	495,532
Retail purchase and use tax	465,827
Other items—net	120,649

Total increase in revenues\$15,931,226

State and Federal subventions are further analyzed below:

Description	Year Ended June 30,		Increase Decrease*
	1951	1950	
Aid to needy children, aged and blind.....	\$15,167,560	\$ 6,545,166	\$8,622,394
Motor vehicle registration, fuel and license taxes	8,942,766	8,642,020	300,746
Alcohol beverage licenses	1,415,966	1,367,041	48,925
Maintenance of minors	569,920	411,910	158,010
Public health programs	940,141	850,978	89,163
Schools	9,175,250	9,009,385	165,865
Others	285,655	622,593	336,938*
Totals	\$36,497,258	\$27,449,093	\$9,048,165

The increase of \$8,622,394 in aid to needy children, aged and blind is a result of accounting changes necessitated by changes in the State law. This increase is offset in full by corresponding increases in Charities expenses.

Changes in apportionments of State fuel taxes were the prime factors accounting for higher revenues from motor vehicle registrations, etc.

The decrease of \$336,938 in other subventions is a result of lowered State aid for construction.

Secured taxes are credited to revenue on an accrual basis. Unsecured taxes are credited to revenue on the basis of collections. Comparative information about assessments, rates and resulting revenue is shown below:

	Year Ended June 30,		Increase Decrease*
	1951	1950	
UNADJUSTED ASSESSED VALUATIONS:			
Tangible property—secured	\$ 889,167,497	\$ 866,118,172	\$23,049,325
Tangible property—unsecured..	172,527,080	184,712,144	12,185,064*
Solvent credits—secured and unsecured	496,153,766	458,228,977	37,924,789
Assessed valuations—net	\$1,557,848,343	\$1,509,059,293	\$48,789,050
Add: Veterans' and welfare exemptions	45,448,600	42,142,642	3,305,958
Gross assessed valuations	\$1,603,296,943	\$1,551,201,935	\$52,095,008

TAX RATES PER \$100 OF

ASSESSED VALUATION:

Tangible property—secured	\$6.29	\$5.66	\$.63
Tangible property—unsecured	5.66	6.09	.43*
Solvent credits—secured and unsecured .....	.10	.10	....

REVENUE FROM PROPERTY TAXES, PENALTIES, INTEREST AND COSTS:

Tangible property—secured	\$55,928,801	\$49,022,543	\$6,906,258
Tangible property—unsecured	9,765,087	11,248,663	1,483,576*
Solvent credits— secured and unsecured	496,162	458,237	37,925
Unadjusted tax levy	\$66,190,050	\$60,729,443	\$5,460,607
Supplemental rolls	339,068	173,894	165,174
Penalties, interest and costs	168,842	151,614	17,228
	\$66,697,960	\$61,054,951	\$5,643,009

Less:

Cancellations, adjustments, refunds and reassessments.....	\$ 156,893	\$ 234,425	\$ 77,532*
Adjustment of reserve for unsecured taxes, penalties, interest and costs	40,677	121,189	80,512*
	\$ 197,570	\$ 355,614	\$ 158,044*
Total property tax revenues	\$66,500,390	\$60,699,337	\$5,801,053

The increased tax revenue of \$5,801,053 arises from:

Increased assessments	\$ 798,325
Changes in tax rates	4,662,282
Adjustments (supplemental rolls, cancellations and other)	340,446

Total increase in property tax revenue\$5,801,053

Departmental revenues totaled \$6,078,691 during 1950-51, an increase of \$495,532 over the preceding year. A comparative statement of departmental revenues is shown as Schedule B-1. Major changes are as follows:

Description	Increase Decrease*
Parking meters	\$271,817
San Francisco Unified School District	87,035
Rent of auditoriums and special facilities	92,484*
Park and Recreation Department refreshment activities	62,695*
San Francisco Hospital—care of patients	53,882
Collections for maintenance of minors	47,982
Laguna Honda Home—care of inmates	33,408
Other—net	156,587
Net increase in departmental revenues	\$495,532

Parking meters are purchased through the application to the purchase price of one-half of the collections. Increased revenue during the current year is the result of additional installations and of various meter purchases becoming fully paid for and the total collections therefrom being credited to revenue.

Auditoriums and special facilities rentals decreased \$92,484, of which Kezar Stadium accounted for \$66,171 and the Civic Auditorium \$16,965. Decreased attendance and contract changes account for the lower revenue from Kezar facilities.

The decrease of \$62,695 in Park and Recreation Department refreshment activities was caused primarily by decreased attendance at the various facilities.

Revenue from the San Francisco Hospital for the care of patients and the Laguna Honda Home for the care of inmates is recorded on the basis of cash collections. Increased rates were put into effect in May, 1950 at both institutions, and revenue increased \$53,882 and \$33,408, respectively.

Revenue from the retail purchase and use tax increased \$465,827 during the current year.

EXPENSES:

Expenses for the current year exceeded by \$13,450,028 the corresponding expenses of the previous year as indicated in the summary which follows:

Departmental expenses	\$11,567,987
Contributions to Public Service Enterprises	1,277,583
Pension costs	402,184
Civilian Defense	103,259
Other items	99,015
Total increase in expenses	\$13,450,028

The increase of \$11,567,987 in departmental expenses is detailed by function in the following summary:

	Increase Decrease*
Charities	\$ 9,977,290
Schools	1,373,979
Public safety	660,114
Recreation	542,262*
Others—net	98,866
Increase in departmental expenses—net	\$11,567,987

Increased Charities costs of \$9,977,290 are offset, in large part, by increased recorded revenues of \$8,622,394 to which previous reference has been made. Higher school expense is accounted for mostly by higher pay roll costs. Included in increased Public Safety costs are higher pay roll costs of the Police and Fire Departments totaling \$455,000, approximately. Decreased Recreation expenses result from lower pay rolls and the nonrecurrence of major rehabilitation costs at the de Young Museum and at the Aquatic Park pier.

Contributions to Public Service Enterprises with the increase over the previous year are detailed below:

Description	Contribution	
	1950-51	Increase
San Francisco Airport	\$2,996,780	\$ 30,490
Municipal Railway	1,062,032	1,062,032
Public Utilities Commission	213,740	185,061
Totals	<u>\$4,272,552</u>	<u>\$1,277,583</u>

The pension costs increase of \$402,184 reflects higher pay rolls. Civilian Defense costs are recorded at \$106,165, an increase of \$103,259 during the current year. Other expense items rose \$99,015, which included higher bond interest costs of \$36,286, increased contributions of \$18,558 to joint highway districts, increased judgment and damage costs and sundry other items.

CURRENT SURPLUS:

Changes in current surplus are shown in Exhibit B, a summary of which follows:

	Increase Decrease*
Excess of revenues over expenses—current year	\$13,213,363
Contributions to capital surplus—net	12,171,956*
Sundry other items	146,367
Increase in current surplus	<u>\$ 1,187,774</u>
Current surplus, June 30, 1950	21,771,189
Current surplus, June 30, 1951	<u>\$22,958,963</u>

BALANCE SHEET COMMENTS

The following comments, unless otherwise specified, refer to amounts shown on the balance sheet, Exhibit A:

Cash—\$67,990,091:

Cash balances at June 30, 1951, are summarized as follows:

	General City and County	Public Service Enterprises	Total
On deposit with the Treasurer	\$68,864,920	\$32,791,766	\$101,656,686
Less:			
Outstanding warrants, matured bonds and coupons	922,679	522,433	1,445,112
	\$67,942,241	\$32,269,333	\$100,211,574
Revolving funds	47,850	52,650	100,500
Total	\$67,990,091	\$32,321,983	\$100,312,074

The accounts of the Treasurer's office were examined as at June 30, 1951 by the General Audit Division of the Controller's office, and a copy of their audit report dated September 20, 1951, is included in the annual report of the Controller. This report and certain supporting papers were reviewed to establish that the balances reflected therein were in agreement with the amounts recorded by the Controller as being on deposit with the Treasurer.

Revolving funds of the General City and County were confirmed by the custodians. Changes in these funds during the year were properly authorized.

Receivables, Less Reserves—\$7,000,774:

Receivables are itemized on the balance sheet, Exhibit A, and are commented upon as follows:

Property taxes, penalties and costs of \$2,517,751 are \$84,115 higher than the corresponding amounts at June 30, 1950. An analysis of the receivable at June 30, 1951 is presented in the following summary:

Description	June 30, 1951		
	Total	Secured	Unsecured
Taxes:			
Current year 1950-51	\$ 537,394	\$349,641	\$ 187,753
Prior years:			
1949-50	252,259	100,800	151,459
1948-49	257,017	63,592	193,425
1947-48	258,238	28,426	229,812
1946-47	98,498	15,492	83,006
Prior	903,032	54,103	848,929
Total taxes receivable	\$2,306,438	\$612,054	\$1,694,384
Penalties	179,019	22,234	156,785
Costs	32,294	3,974	28,320
Total—June 30, 1951	\$2,517,751	\$638,262	\$1,879,489
Total—June 30, 1950	2,433,636	594,825	1,838,811
Increase during current year	\$ 84,115	\$ 43,437	\$ 40,678

Subventions receivable of \$3,483,356 consisted of the following:

Motor vehicle fuel tax and registration fees	\$1,709,170
Tuberculosis aid subsidy	\$516,283
Other public health subventions	86,643 602,926
Charities—aged, blind and children	453,323
Schools	309,034
Alcohol beverage licenses	300,000
Other items	108,903
Total subventions receivable	<u>\$3,483,356</u>

Major items included in the foregoing were substantiated by confirmation wherever practicable and in other instances by review of bases and computations and by reference to subsequent cash receipts.

Purchase and use tax receivable of \$1,164,485 represent collections for the period July 1, 1951 to August 10, 1951, which were considered to have been earned prior to June 30, 1951.

Departmental service revenues of \$1,010,312 consisted of \$690,383 in accounts held by the various departments and \$319,929 in accounts which had been transferred to the Delinquent Revenue Bureau for collection. Included in the foregoing balances were \$532,464 in charges made by the San Francisco Hospital and \$205,706 in charges made by the Youth Guidance Center and Juvenile Court. Due to the uncertainty of collecting such accounts all balances are reserved for and are recorded as revenue when collected.

School department tuition and counseling of \$394,279 included \$385,022 earned prior to June 30, 1951 which will be billed and collected from other political subdivisions subsequent thereto.

Franchise taxes accrued at June 30, 1951 consisted of the following:

Pacific Telephone and Telegraph Company	\$471,900
Pacific Gas and Electric Company	142,450
American District Telegraph Company	5,016
California Street Cable Railroad Company	4,505
Total	<u>\$623,871</u>

The American District Telegraph Company denied the foregoing indebtedness to the City and County. Other debtors confirmed the amounts stated.

Interest and other receivables of \$696,520 included interest accrued on retirement fund investments of \$627,219, interest on other trust investments and sundry other claims.

Total departmental service revenues and unsecured taxes receivable comprise the reserve of \$2,889,800.

Interfund Accounts—\$2,171,937:

This asset represents the net indebtedness of the Public Service Enterprises to the General City and County at June 30, 1951. This indebtedness was reconciled to the records of the Public Service Enterprises.

Investments—\$95,635,075:

Investments increased \$17,433,982 during the current year. An analysis of the status at June 30, 1951 follows:

<u>Description</u>	<u>Par Value</u>	<u>Book Amount</u>
Securities:		
Employees' Retirement System:		
United States Government bonds	\$60,014,000	\$60,290,125
Municipal bonds	10,903,450	10,894,768
Public utility bonds	19,858,000	20,089,507
Railroad bonds and railroad equipment certificates	3,985,000	3,925,302
Total	\$94,760,450	\$95,199,702
Other trust funds:		
Bonds	376,000	377,289
Stocks	39	2,094
Total securities	\$95,136,489	\$95,579,085
Other investments:		
Real estate	\$ 55,970	
Miscellaneous	20	55,990
Total investments		\$95,635,075

Securities are stated at cost, adjusted for amortization of bond premiums and discounts.

The securities of the Employees' Retirement System were examined jointly as at June 30, 1951 by other public accountants and by the General Audit Division of the Controller's office. Securities of other trust funds were examined by the General Audit Division. This Division also examined other securities held by the Treasurer which consisted of collateral having a par value of \$115,905,900 deposited by banks, and securities of \$111,250 for lease guaranty deposits.

Other Resources—Net—\$61,014,305:

Other resources consisted of:

Bonds authorized but not sold	\$59,060,000
State aid for construction	1,947,061
Sundry	7,244

Other resources—net

\$61,014,305

Changes during the year in bonds authorized but not sold were as follows:

Unsold bonds—June 30, 1950		\$96,170,000
Bonds sold:		
1947 Street Improvement	\$ 800,000	
1947 Recreation	2,100,000	
1948 Schools	10,000,000	
1945 Airport	1,110,000	
1947 Municipal Railway Rehabilitation	2,400,000	
1947 Hetch Hetchy Water	4,100,000	
1949 Airport	5,900,000	
Total bonds sold	\$26,410,000	
Bonds cancelled:		
1947 Market Street Railway Refinancing.....	250,000	26,660,000
Unsold bonds—June 30, 1951		\$69,510,000

Of the foregoing, \$59,060,000 is applicable to the General City and County and \$10,450,000 to Public Service Enterprises.

State aid for construction consisted of:

Approved applications for State aid	\$1,000,245
Claims receivable	732,309
Allocations for public improvements	214,507
Total	\$1,947,061

During the current year \$1,767,212 was received from the State of California in connection with the foregoing.

Other resources, net, of \$61,014,305 were recorded on the fund records to make funds available for appropriation. On a proprietary basis these resources are offset by an equivalent reserve.

Fixed Assets—\$313,388,332:

These assets consisted of:

Land, structures and equipment	\$295,683,911
Uncompleted construction contracts	17,704,421
Total	\$313,388,332

The foregoing stated amount of \$295,683,911 does not purport to represent fixed assets now in existence, as all retirements have not been eliminated therefrom. Included are the fixed assets of the San Francisco Unified School District, a separate political entity.

Net additions to fixed assets of the General City and County during the year ended June 30, 1951 are shown by function and by fund and project in Exhibits C and D, respectively. The additions by project are summarized as follows:

Schools	\$ 6,127,952
North Point Sewage Plant	5,321,168
Parks, playgrounds and recreation centers	2,511,229
Broadway Tunnel	1,705,283
South East Sewage Plant	1,362,646
Islais Creek Bridge at Third Street	1,302,816
Youth Guidance Center	1,064,340
Removal of tracks	890,201
Lake Merced Sewer System	778,284
Thirteenth Street widening	663,494
Department of Public Works Maintenance Yard	363,907
All other additions	3,944,283
Total additions	\$26,035,603

The foregoing additions have been recorded essentially at cost except for a transfer of land from the Municipal Railway to the School District, in which case a gain of \$121,000 was recorded.

Considerable effort has been expended to install equipment records as required by Section 88 of the Charter.

Depreciation is not being computed on the records of the General City and County and no charge for depreciation is included in current operating expenses.

An equity of \$478,000, approximately, in parking meters has been acquired through payment of one-half of the collections to vendors. This equity is not recorded on the books nor in the statements included herewith. At June 30, 1951 there was an outstanding balance of \$72,146 which was to be paid from future collections. A considerable number of equipment purchases were charged to current expenses rather than to equipment capital accounts.

Uncompleted capital fund construction contracts at June 30, 1951 totaled \$17,704,421, a decrease of \$5,267,168 during the year.

Deferred Charges—\$1,018,150:

These consisted of:

Inventories of materials and supplies	\$ 939,386
Expense advances and sundry	78,764
Total	<u>\$1,018,150</u>

The inventories are segregated by departments as follows:

School Department	\$641,796
Fire Department	104,106
Central Warehouse	55,165
Recreation, parks and others	38,319
Other Departments (estimated)	100,000
Total inventories	<u>\$939,386</u>

The foregoing amounts, with the exception of the estimate of \$100,000 for Other Departments, are based on recent physical inventories taken by employees of the City and County. Quantities and prices of the School Department were tested by other certified public accountants. Inventories of other departments were not taken under independent supervision nor were tests made of quantities and prices.

Expense advances and sundry of \$78,764 includes the school shop account of \$25,622 and expense and travel advances of \$49,640 as well as other minor items. Included in expense and travel advances were advances to the District Attorney's office of \$44,785, of which \$19,435 is applicable to 1948-49 and \$10,450 applicable to 1949-50. Pending completion of the audit of supporting data these advances are being held as deferred charges.

Investment in Public Service Enterprises—\$117,163,087:

The investment of the City and County in Public Service Enterprises was recorded at \$117,163,087 as at June 30, 1951. This amount is substantiated by audit reports and statements of the various enterprises as summarized in Exhibit E. An equivalent amount is recorded on the balance sheet, Exhibit A, under the caption Proprietary Equities.

Fund Payables—\$5,266,614:

Liabilities at June 30, 1951, for which warrants were issued subsequent thereto but which were recorded in the June records, have been classified herein as fund liabilities and consist of trade payables of \$1,828,243 and pay rolls of \$3,346,319.

The reserve requirement for compensation claims at June 30, 1951, as estimated by the Retirement Board, approximated \$990,000, of which \$753,000 was applicable to General City and County departments and for which no liability has been recorded on the records or in the statements submitted herewith.

Deferred Credits—\$6,191,673:

Included under this caption are the following:

Personal property taxes applicable to the fiscal year 1951-52 which were collected by the Assessor and deposited with the Treasurer prior to July 1, 1951

\$5,057,859

Subventions received in advance:

Aid to needy aged	\$731,654	
Aid to needy children	316,899	
Aid to needy blind	26,208	1,074,761

Delinquent tax installment receipts	32,721
Prepaid rentals and deposits	26,220
Sundry	112

Total

\$6,191,673

Trust and Assessment Fund Balances—\$106,150,360:

These funds consisted of unapplied balances of the Employees' Retirement System and of other trust funds, details of which are presented in Exhibit I. The actual liabilities at June 30 included in these balances have not been set forth separately.

Fund Equities—\$116,203,535:

Details of unappropriated and unencumbered balances by funds are presented in Exhibit I. The Cash Reserve Fund, whose total is limited by the tax levy, increased by \$574,278 to \$6,652,205 at June 30, 1951.

Outstanding encumbrances at June 30, 1951 totaled \$22,433,345 exclusive of inter-departmental work orders. This balance consisted of \$17,704,421 of capital funds and the remainder was applicable to current and trust funds. Included in these balances were actual liabilities of at least \$2,000,000 representing goods and services received or rendered prior to July 1, 1951.

Liabilities Against Receipts of Future Years—\$64,216,793:

At June 30, 1951 bonded indebtedness totaled \$182,077,000 of which \$63,722,000 represented General City and County issues and \$118,355,000 Public Service Enterprises issues. Details of this indebtedness are presented in Exhibit H. A summary of the changes during the current year follows:

Total bonds outstanding and unmatured at	
June 30, 1950	\$169,275,000
Bonds issued during the current year	26,410,000
Total	\$195,685,000
Bonds matured during the current year	13,608,000
Total bonds outstanding and unmatured at	
June 30, 1951	\$182,077,000

Statements of bonding capacity and redemption requirements are included in the annual report of the Controller.

Bond interest accrued but not due at June 30, 1951 on General City and County bonds totaled \$494,793.

Proprietary Equities—\$483,556,311:

These equities are listed on the balance sheet, Exhibit A.

Other Resources, consisting primarily of bonds authorized but not sold, were fully reserved on the proprietary records.

Outstanding encumbrances of \$22,433,345 are reflected in the statements in this report, the capital fund encumbrances of \$17,704,421 by a charge to fixed assets and other encumbrances of \$4,728,924 by a charge to current surplus, in accordance with procedures of prior years.

Capital surplus increased \$14,563,200 to \$259,986,611 during the year as shown by the following analysis:

Contributions from current funds:

Contribution through bond retirements	\$ 5,098,000
Additions to fixed assets—net—Exhibit D	7,063,487
Sales of fixed assets credited to current additions	234,314
Transfers from real property funds to current funds for land	
acquisitions—deduct	223,845*
Fixed assets contributed by State Highway Trust	172,157
State aid for plans and construction	1,803,693
Gain on sale of fixed assets	382,190
Sundry	33,204

Additions during year—net	\$ 14,563,200
Capital surplus—June 30, 1950	245,423,411
Capital surplus—June 30, 1951	\$259,986,611

Current surplus increased \$1,187,774 to \$22,958,963 during the current year. Details of the changes therein are presented in Exhibit B.

The equity of \$117,163,087 consists of the surpluses of the Public Service Enterprises as shown in Exhibit E.

Contingent Liability:

The City and County of San Francisco is subject to a contingent liability by reason of its participation in the Golden Gate Bridge and Highway District. All taxable property is liable for taxes to meet operating expenses, interest and redemption charges. Certain considerations affecting this liability are as follows:

Description	Year Ended June 30,		
	1951	1950	1949
Net income after provision for bond interest	\$ 1,955,943	\$ 2,445,495	\$2,053,830
Surplus accounts at end of year	\$11,930,527	\$10,242,918	\$8,096,857

Bonds outstanding at June 30, 1951 totaled \$32,400,000, maturing on July 1, as follows:

	Annually	Total
1951	\$ 400,000	\$ 400,000
1952 to 1956, inclusive	800,000	4,000,000
1957 to 1961, inclusive	1,200,000	6,000,000
1962 to 1966, inclusive	1,600,000	8,000,000
1967 to 1971, inclusive	2,800,000	14,000,000
Total outstanding bonds, June 30, 1951		\$32,400,000

General:

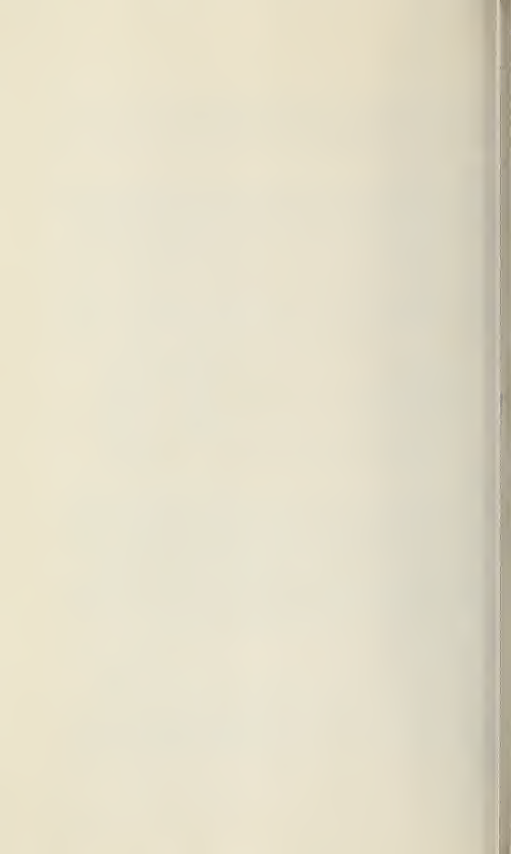
As indicated by a letter from the City Attorney, the City and County had at June 30, 1951 suits pending of \$15,500,000 approximately, affecting the Municipal Railway and of \$4,363,000 approximately, affecting other city departments. In addition there was an undetermined number of claims filed which had not resulted in suits as of that date. The Railway has provided a reserve therefor of \$2,361,954; other departments have not provided any reserves to cover probable liability.

Unfunded prior service pension costs, excluding old firemen not yet retired, were in excess of \$23,000,000 at June 30, 1945, as determined at the last periodic actuarial valuation. The valuation required as at June 30, 1951 is currently in progress but the liability as at that date is not presently available.

The following General City and County funds appearing on Exhibit I show deficits at June 30, 1951:

Firemen's relief and pensions	\$171,332
Auditorium	167,930
Police relief and pensions	103,236

These deficits were created prior to the adoption of the present Charter, which became effective January 8, 1932. With the exception of slight adjustments, the above amounts are the same as on the aforementioned date. Inasmuch as Section 86 of the present Charter is designed to prevent any deficit from being created after its adoption, it is recommended that some legal means be found to dispose of these deficits.



**EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
BALANCE SHEET
June 30, 1951**

RESOURCES		LIABILITIES AND EQUITIES	
CASH:		FUND LIABILITIES:	
Cash on deposit, on hand and in transit	\$ 67,990,091	Payables:	
		Trade	\$ 1,828,243
		Pay roll	3,346,319
		Deposits and sundry	92,052
			\$ 5,266,614
		Deferred credits:	
		Tax collections for the year 1951-52	\$ 5,057,859
		Subventions and other items applicable to	
		future periods	1,133,814
			6,191,673
		TRUST AND ASSESSMENT FUND BALANCES	106,150,360
		FUND EQUITIES:	
		Unencumbered appropriations	\$ 60,793,176
		Unappropriated balances	26,324,809
		Cash reserve	6,652,205
		Reserve for encumbrances	22,433,345
			116,203,535
		Total fund liabilities and equities—	Exhibit I
			\$233,812,182
		EQUITIES INCLUDED IN BOTH FUNDING	
		AND PROPRIETARY BASIS—DEDUCT	
		Fund liabilities and trust balances—	
		proprietary basis	\$117,608,647
		LIABILITIES AGAINST RECEIPTS OF	
		FUTURE YEARS:	
		Bonded indebtedness—Exhibit H	\$ 63,722,000
		Bond interest accrued but not due	494,793
			64,216,793
		PROPRIETARY EQUITIES:	
		Reserve for other resources (contra)	\$ 61,014,305
		Reserve for encumbrances	22,433,345
		Capital surplus	259,986,611
		Current surplus—Exhibit B	22,958,963
		Equity—Public Service Enterprises—	
		Exhibit E	117,163,087
			483,556,311
			\$665,381,751
DEFERRED CHARGES:		DEFERRED CHARGES:	
Inventories of materials and supplies	\$ 939,386	Land, structures and equipment—	
Expense advances and sundry	78,764	Exhibits C and D	\$295,683,911
	1,018,150	Uncompleted construction contracts	17,704,421
			313,388,332
		FIXED ASSETS:	
		Total fund resources—Exhibit I	\$233,812,182
		Less: Reserve	61,014,305
			\$ 61,298,610
		Inventory of supplies	7,244
		State Aid (Chapter 47, Statutes 1944)	284,305
		State Aid (Chapter 20, Statutes 1946)	1,947,061
		Bonds authorized but unissued—Exhibit G	\$ 59,060,000
		OTHER RESOURCES—CONTRA:	
		Securities	\$ 95,579,085
		Other	55,990
			95,635,075
		INTERFUND ACCOUNTS:	
		Due from Public Service Enterprises—net	2,171,937
		Less: Reserves	7,000,774
			\$ 9,890,574
		Interest and other	696,520
		Franchise taxes	623,871
		School Department tuition and counseling	394,279
		Departmental service revenues	1,010,312
		Purchase and use tax	1,164,485
		Subventions	3,483,356
		Property taxes, penalties and costs	2,517,751
			\$ 2,517,751
			\$ 67,990,091
			\$665,381,751
			117,163,087
			\$665,381,751



EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CURRENT SURPLUS—GENERAL CITY AND COUNTY
For the Years Ended June 30, 1951 and 1950

Year Ended June 30,			
1951	1950	Increase	Decrease*
REVENUES:			
Property taxes, penalties, interest and costs.....	\$ 66,500,390	\$ 60,699,337	\$ 5,801,053
State and Federal subventions.....	36,497,258	27,449,093	9,048,165
Departmental revenues—Schedule B-1.....	6,078,691	5,583,159	495,532
Retail purchase and use tax.....	5,045,495	4,579,668	465,827
Fines, forfeits and penalties other than from property taxes.....	1,661,179	1,630,166	31,013
Franchise taxes.....	878,481	826,347	52,134
Licenses.....	679,953	680,456	503*
Bank interest.....	489,584	418,823	70,761
Rent of nonoperating school property.....	361,303	371,262	9,959*
Housing authority in lieu of taxes.....	392,037	372,387	19,650
Other.....	49,493	91,940	42,447*
Total revenues.....	\$118,633,864	\$102,702,638	\$15,931,226
EXPENSES:			
Departmental expenses—Schedule B-2.....	\$ 88,518,467	\$ 76,956,480	\$ 11,567,987
Pension costs — Employees' Retirement System.....	10,918,329	10,516,145	402,184
Bond interest.....	1,335,016	1,298,730	36,286
Civilian Defense.....	106,165	2,906	103,259
Other.....	79,589	55,418	44,171
Contributions:			
San Francisco Airport.....	2,996,780	2,966,290	30,490
Municipal Railway.....	1,062,032		1,062,032
Public Utilities Commission.....	213,740	28,679	185,061
Joint Highway Districts.....	190,383	177,825	18,558
Total expenses.....	\$105,420,501	\$ 91,970,473	\$13,450,028
Excess of revenues over expenses.....	\$ 13,213,363	\$ 10,732,165	\$ 2,481,198
CURRENT SURPLUS, FIRST OF YEAR			
Bond redemptions, transferred to capital surplus.....	21,771,189	20,037,032	1,738,157
Additions to fixed assets, transferred to capital surplus.....	5,098,000*	4,639,000**	459,000*
Profit on sale of School District land.....	7,297,801**	5,011,158**	2,263,643*
Increase in encumbrances and sundry.....	304,459		304,459
Transfers from capital surplus.....	578,477*	147,057	720,534*
School District tuition previously recorded as a deferred credit.....	420,385		420,385
Transfers from capital surplus.....	223,845	537,093	313,248*
CURRENT SURPLUS, END OF YEAR — EXHIBIT A.....	\$ 22,958,963	\$ 21,771,189	\$ 1,187,774

**Denote reduction.



EXHIBIT B — SCHEDULE 1
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL REVENUES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1951 and 1950

	Year Ended June 30,		Increase Decrease*
	1951	1950	
General Government:			
Parking meters	\$ 561,329	\$ 289,512	\$271,817
Superior Courts	225,543	222,653	2,890
Recorder	225,141	224,185	956
Public Administrator	166,311	132,770	33,541
Municipal Courts	139,539	125,056	14,483
Sheriff	52,202	52,813	611*
Rent of building space	46,263	43,764	2,499
Treasurer	28,918	25,023	3,895
County Clerk	12,652	11,903	749
Other	46,896	54,056	7,160*
Total	\$1,504,794	\$1,181,735	\$323,059
Public Safety (Inspection and permit fees):			
Department of Public Works	\$ 316,875	\$ 294,274	\$ 22,601
Department of Electricity	91,112	80,999	10,113
Health Department	69,749	67,316	2,433
Fire Department	42,144	39,493	2,651
Farmers Market	20,602	32,191	11,589*
Police Department	15,043	11,640	3,403
Other	12,158	15,103	2,945*
Total	\$ 567,683	\$ 541,016	\$ 26,667
Schools:			
School cafeteria sales	\$ 936,475	\$ 862,283	\$ 74,192
Tuition for students from other counties	384,268	403,881	19,613*
Child Care Center (fees from parents)	283,885	259,574	24,311
Other	62,954	54,809	8,145
Total	\$1,667,582	\$1,580,547	\$ 87,035
Libraries	\$ 33,517	\$ 30,742	\$ 2,775
Recreation and Park:			
Cultural and Scientific:			
Opera House rentals	\$ 129,690	\$ 102,674	\$ 27,016
Art Commission Symphony Concerts	20,621	16,494	4,127
Coit Tower fees	17,765	17,577	188
Other	21,165	12,118	9,047
Total	\$ 189,241	\$ 148,863	\$ 40,378
Rent of auditoriums and special facilities	232,351	324,835	92,484*
City and County refreshment activities	456,009	518,704	62,695*
Organized recreation	381,578	385,196	3,618*
Concessions	24,889	24,728	161
Other	11,889	14,598	2,709*
Total	\$1,295,957	\$1,416,924	\$120,967*

EXHIBIT B — SCHEDULE 1 (Concluded)
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL REVENUES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1951 and 1950

	Year Ended June 30,		Increase Decrease*
	1951	1950	
Hospitals:			
S. F. Hospital—care of patients.....	\$ 195,632	\$ 141,750	\$ 53,882
Sonoma State Home patients.....	54,243	50,711	3,532
Other	41,946	26,884	15,062
Total.....	\$ 291,821	\$ 219,345	\$ 72,476
Charities:			
Collections for maintenance of minors.....	\$ 213,006	\$ 165,024	\$ 47,982
Laguna Honda Home—care of inmates.....	120,551	87,143	33,408
Other.....	1,093	1,553	460*
Total.....	\$ 334,650	\$ 253,720	\$ 80,930
Corrections.....	\$ 28,648	\$ 32,791	\$ 4,143*
Side-Sewer Installation Charges.....	137,386	134,433	2,953
Health Conservation Fees and Permits.....	190,132	177,009	13,123
Other.....	26,521	14,897	11,624
Total departmental revenues—			
General City and County—Exhibit B...	<u>\$6,078,691</u>	<u>\$5,583,159</u>	<u>\$495,532</u>

Certain prior year figures are restated for comparative purposes.

EXHIBIT B — SCHEDULE 2
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL EXPENSES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1951 and 1950

	Year Ended June 30,		Increase Decrease*
	1951	1950	
General Government:			
Legislative	\$ 244,923	\$ 234,181	\$ 10,742
Executive	185,405	189,824	4,419*
Judicial	2,440,423	2,376,838	63,585
Elections	254,600	413,113	158,513*
Finance	2,018,889	1,932,515	86,374
Law	496,419	477,389	19,030
Recording and reporting	146,791	140,792	5,999
Administrative officers and boards	972,152	971,893	259
General government buildings	734,824	750,978	16,154*
Community promotion	292,287	339,156	46,869*
Other	2,573	1,714	859
Total	\$ 7,789,286	\$ 7,828,393	\$ 39,107*
Public Safety:			
Police Department	\$ 7,857,631	\$ 7,366,117	\$ 491,514
Fire Department	7,487,093	7,333,249	153,844
Protective inspection	358,362	342,242	16,120
Other	185,821	187,185	1,364*
Total	\$15,888,907	\$15,228,793	\$ 660,114
Highways:			
General administration	\$ 49,837	\$ 63,573	\$ 13,736*
Roadways	819,801	912,599	92,798*
Street lighting	949,898	936,798	13,100
Bridges and viaducts	104,290	81,450	22,840
Other	39,461	52,008	12,547*
Total	\$ 1,963,287	\$ 2,046,428	\$ 83,141*
Schools	\$24,390,045	\$23,016,066	\$1,373,979
Libraries:			
Books, pamphlets and magazines	\$ 155,623	\$ 138,455	\$ 17,168
Other	670,303	664,197	6,106
Total	\$ 825,926	\$ 802,652	\$ 23,274
Charities:			
Laguna Honda Home	\$ 753,908	\$ 623,922	\$ 129,986
General relief	1,512,142	1,740,524	228,382*
Old age assistance	12,915,208	4,501,680	8,413,528
Aid to minors	4,645,281	3,326,024	1,319,257
Aid to blind	519,636	190,602	329,034
Other	513,725	499,858	13,867
Total	\$20,859,900	\$10,882,610	\$9,977,290

EXHIBIT B — SCHEDULE 2 (Concluded)
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL EXPENSES —
GENERAL CITY AND COUNTY
For the Years Ended June 30, 1951 and 1950

	Year Ended June 30,		Increase Decrease*
	1951	1950	
Recreation:			
Cultural and Scientific:			
California Palace of the Legion of Honor.....	\$ 164,136	\$ 149,175	\$ 14,961
De Young Museum	219,930	456,792	236,862*
Fleishhacker Zoo.....	201,666	217,898	16,232*
Other.....	511,559	438,928	72,631
Total.....	\$ 1,097,291	\$ 1,262,793	\$ 165,502*
Parks and squares	1,308,825	1,315,127	6,302*
Organized recreation	1,314,300	1,593,328	279,028*
Auditoriums and special facilities ..	565,056	641,292	76,236*
Refreshment facilities	419,385	449,160	29,775*
Other	48,943	34,362	14,581
Total	\$ 4,753,800	\$ 5,296,062	\$ 542,262*
Hospitals:			
Municipal hospitals	\$ 6,200,186	\$ 6,103,406	\$ 96,780
Patients in nonmunicipal hospitals..	231,984	235,026	3,042*
Other	264,070	262,920	1,150
Total.....	\$ 6,696,240	\$ 6,601,352	\$ 94,888
Corrections:			
Adults	\$ 566,107	\$ 556,056	\$ 10,051
Minors	514,597	462,544	52,053
Total.....	\$ 1,080,704	\$ 1,018,600	\$ 62,104
Sanitation and Waste Removal:			
Sewers and sewage disposal	\$ 787,475	\$ 813,309	\$ 25,834*
Side-sewer installation	137,341	126,650	10,691
Street sanitation	1,222,182	1,201,251	20,931
Other	16	9	7
Total.....	\$ 2,147,014	\$ 2,141,219	\$ 5,795
Health Conservation:			
Health regulation and inspection ...	\$ 456,856	\$ 459,612	\$ 2,756
Control of communicable diseases ..	376,505	416,586	40,081
Child health services	989,968	907,170	82,798
Other	300,029	304,937	4,908
Total.....	\$ 2,123,358	\$ 2,088,305	\$ 35,053
Total departmental expenses— General City and County— Exhibit B	\$88,518,467	\$76,950,480	\$11,567,987

EXHIBIT C CITY AND COUNTY OF SAN FRANCISCO FIXED ASSETS — GENERAL CITY AND COUNTY June 30, 1951

Current Year's Additions — Net				Fixed assets, June 30, 1951—Exhibit A			
General government—City Hall							
				Prior Year's Additions			
				Total			
				Miscellaneous			
				Central warehouse and corporation yard			
				Other:			
				Playgrounds and recreation centers			
				Museums, art galleries, etc.			
				War Memorial and Opera House			
				Parts and squares			
				Golf links			
				Other			
				Recreation:			
				Libraries			
				Schools			
				County jails			
				Log Cabin Ranch			
				Youth Guidance Center			
				Corrections:			
				Welfare Department			
				Charities:			
				Laguna Honda Home			
				Hospitals:			
				San Francisco Hospital			
				Emergency Hospitals			
				Health Conservation:			
				Hassler Health Home			
				Civic Center Health Building			
				Other			
				Sanitation:			
				Sewers and sewage disposal plants			
				Street Cleaning Department			
				Highways:			
				Streets, tunnels, bridges, etc.			
				Off-street parking			
				Department of Electricity			
				Police Department			
				Fire Department			
				Public Safety:			
				Total			
				Land			
				Structures and Improvements			
				Equipment			

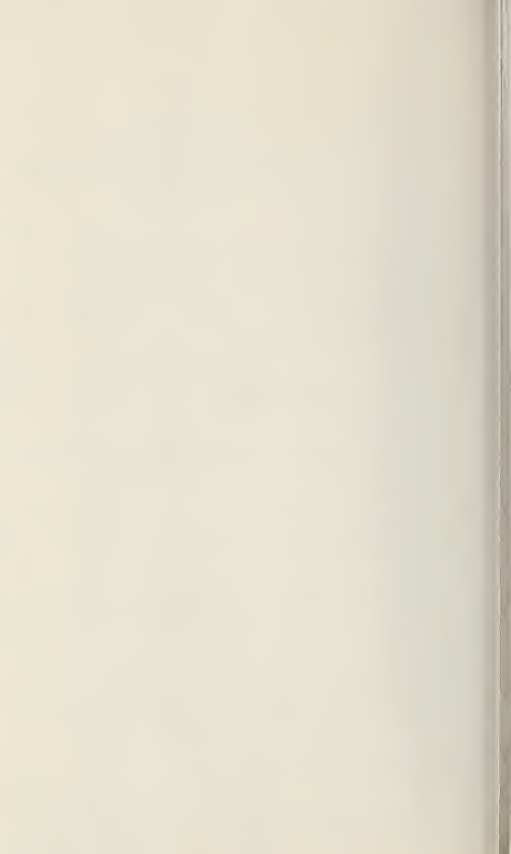


EXHIBIT D
CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO GENERAL CITY AND COUNTY FIXED ASSETS
BY FUNDS AND PROJECTS
For the Year Ended June 30, 1951

	Total	Land	Structures and Improvements	Equipment
CURRENT FUNDS:				
General Fund:				
Third Street and Islais Creek bridge.....	\$ 489,458	\$	\$ 489,458	\$
Department of Public Works maintenance yard.....	363,907	736	363,171	79,036
San Francisco Hospital.....	183,851		104,815	480,993
Sundry.....	717,813	42,047*	278,867	
Total.....	\$1,755,029	\$ 41,311*	\$1,236,311	\$ 560,029
S. F. Unified School District.....	\$2,093,625	\$1,443,747	\$ 233,487	\$ 416,391
S. F. U. S. D. Special Accumulative Building Fund.....	\$ 73,546	\$ 64,852	\$ 8,694	\$
Special Gas Tax Street Improvement Fund:				
Thirteenth Street.....	\$ 380,121	\$ 380,085	\$ 36	\$
Broadway Tunnel.....	126,424	126,424		
Third Street and Islais Creek bridge.....	516,100		516,100	
Sundry.....	190,388	13,966	176,422	
Total.....	\$1,213,033	\$ 520,475	\$ 692,558	\$
Special Road Improvement Fund:				
Thirteenth Street.....	\$ 283,373	\$ 282,623	\$ 750	\$
Third Street and Islais Creek bridge.....	297,258		297,258	
El Camino Del Mar reconstruction.....	104,789		104,789	
Removal of tracks.....	91,945		91,945	
Sundry.....	453,916	102,454	335,559	15,903
Total.....	\$1,231,281	\$ 385,077	\$ 830,301	\$ 15,903
Recreation and Park Fund:				
Pinelake Playground.....	\$ 120,892	\$ 120,892	\$	\$
McLaren Lodge.....	176,902		176,902	
Sundry.....	189,102	88,802*	224,040	53,864
Total.....	\$ 486,896	\$ 32,090	\$ 400,942	\$ 53,864
Library Fund:				
Parkside Branch Library.....	\$ 116,860	\$	\$ 116,860	\$
Potero Branch Library.....	78,770		78,770	
Sundry.....	14,447	1,825*		16,272
Total.....	\$ 210,077	\$ 1,825*	\$ 195,630	\$ 16,272
Total current funds.....	\$7,063,487	\$2,403,105	\$3,597,923	\$1,062,459

*denotes reduction

EXHIBIT D (Continued)
CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO GENERAL CITY AND COUNTY FIXED ASSETS
BY FUNDS AND PROJECTS
For the Year Ended June 30, 1931

	Structures and Improvements	Land	Total	Equipment
1927 Boulevards Serra Boulevard	\$ 92,575		\$ 92,575	\$ 82,222
1942 Fire Protection Bond Fund			\$ 82,222	
1944 Sewer Bond Fund:				
North Point Plant	\$ 2,580,415		\$ 2,580,740	
Lake Merced Sewer System	778,284		778,284	
Lake Street Sewer System	148,184		148,184	
Sundry	75,810		75,810	
Total	\$ 3,582,693	\$ 325	\$ 3,583,018	
1947 Off-Street Parking Bond Fund:				
St. Mary's Square	\$ 286,799		\$ 286,799	
1947 Street Improvement Bond Fund:				
Broadway Tunnel	\$ 1,578,859		\$ 1,578,859	
Removal of tracks	798,256		798,256	
Sundry	124,108		124,108	
Total	\$ 2,501,223	\$ 463*	\$ 2,500,760	
1947 Recreation Bond Fund:				
Corona Heights Playground and Junior Museum	\$ 236,606		\$ 236,606	
Chinese Recreation Center	232,486		232,486	
Silver Terrace Playground and Field House	169,668		169,668	
St. Mary's Playground and Recreation Center	125,814		125,814	
Burnett Recreation Center	125,706		125,706	
South Sunset Playground and Club House	124,531		124,531	
Phelan Beach Recreation Area	109,880		109,880	
Upper Noe Valley Playground	81,931		81,931	
Sundry	880,974		880,974	
Total	\$ 2,087,596	\$ 117,393	\$ 2,087,596	\$ 16,971
1948 Sewage Treatment Bond Fund:				
North Point Plant	\$ 2,740,428		\$ 2,740,428	
South East Sewage Plant	1,362,646		1,362,646	
Sundry	953,925		953,925	
Total	\$ 5,056,999	\$ 22,831	\$ 5,056,999	\$ 220,933
1948 School Bond Fund				
1944 and 1948 Juvenile Home and Court Bond Funds:				
Youth Guidance Center	\$ 1,064,340		\$ 1,064,340	\$ 38,421

*denotes reduction



EXHIBIT D (Concluded)
CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO GENERAL CITY AND COUNTY FIXED ASSETS
BY FUNDS AND PROJECTS
For the Year Ended June 30, 1951

For the Year Ended June 30, 1951

[illegible]

EXHIBIT E CITY AND COUNTY OF SAN FRANCISCO PUBLIC SERVICE ENTERPRISES SUMMARY BALANCE SHEET June 30, 1951

Resources		Adjustments and Reclassifications		Hech Water Department		Municipal Railway		Airport		Public Utilities Commission	
Total		Total		Total		Total		Total		Total	
Cash.....	\$ 32,321,983	\$ 3,361 (1)	\$ 539,834 (2)	\$ 32,858,456	\$ 1,400,487	\$ 1,199,542	\$ 5,903,468	\$ 10,538,590	\$ 322,491	2,500	
Receivables—net.....	1,397,126		3,361 (1)	1,400,487	1,207,889	62,341	1,207,889	136,104			
Other resources.....	11,657,889	10,450,000 (3)		1,207,889	208,684,291	1,995,542	1,207,889	1,207,889	1,463,112		
Fixed assets—net.....	208,684,291			208,684,291	1,495,532,966	20,850,592	20,850,592	36,837,621	1,463,112	225,316	
Deferred charges.....	9,981,249		1,158,286 (4)	11,139,535	7,056,890	3,315,348	3,315,348	541,981	225,316		
Totals.....	\$264,042,538	\$10,453,361	\$ 1,701,481	\$255,290,658	\$173,883,305	\$30,131,749	\$49,262,185	\$2,013,419			
Liabilities, Reserves and Surpluses											
Fund payables.....	\$ 2,988,478	\$ 255,798 (5)		\$ 3,784,110	\$ 2,107,060	\$ 1,293,293	\$ 117,762	\$ 265,995			
Interfund accounts—net.....	2,171,937	178,758 (4)	255,798 (5)	2,094,897	320,252	588,491	1,626,220	440,066*			
Deferred credits.....	660,809			660,809	25,979	20,221	82,599	532,010			
Accumulated fund balances.....	7,994,107	979,528 (4)		8,973,635	6,013,846	2,219,567	520,578	219,644			
Liabilities against receipts of future years.....	119,909,948			119,909,948	83,650,059	19,550,176	16,709,713				
Reserves.....	13,154,172		10,450,000 (3)	2,704,172	157,316	2,544,158	626	2,072			
Surplus (Investment of City and County)—Exhibit A.....	117,163,087			117,163,087	81,608,793	3,915,843	30,204,687	1,433,764			
	\$264,042,538	\$ 1,953,918	\$10,705,798	\$255,290,658	\$173,883,305	\$30,131,749	\$49,262,185	\$2,013,419			

(1) To reclassify cash in transit.

(2) To reclassify outstanding warrants, pay roll deductions, matured bonds and bond interest.

(3) To record unsold bonds.

(4) To reclassify budget transfers, I. D. work orders and sundry.

(5) To reclassify pay roll deductions payable to trust funds.

*Denotes reduction.



EXHIBIT F **CITY AND COUNTY OF SAN FRANCISCO** **PUBLIC SERVICE ENTERPRISES** **SUMMARY OF REVENUES, EXPENSES AND SURPLUS** **For the Year Ended June 30, 1951**

	Herch Hechy and San Francisco Water Department	Municipal Railway	San Francisco Airport	Public Utilities Commission
Revenues and Expenses:				
Operating revenues.....	\$ 34,111,894	\$14,238,206	\$18,028,977	\$ 635,932
Operating expenses.....	\$ 29,397,499	\$ 7,259,226	\$ 19,537,887	\$ 1,391,607
Excess of operating revenues.....	\$ 4,714,395	\$ 6,978,980	\$ 1,508,910*	\$ 755,675*
Other revenues:				
Interest.....	\$ 31,041	\$ 15,995	\$ 15,046	\$
Rentals.....	191,364	191,364		
Other.....	447,997	59,064	344,844	44,089
Total other revenues.....	\$ 670,402	\$ 266,423	\$ 359,890	\$ 44,089
Other expenses:				
Bond interest.....	\$ 3,355,832	\$ 2,947,265	\$ 284,605	\$ 123,962
Other.....	141,660	44,875	96,785	
Total other expenses.....	\$ 3,497,492	\$ 2,992,140	\$ 381,390	\$ 123,962
Excess of revenues over expenses.....	\$ 1,887,305	\$ 4,253,263	\$ 1,510,410*	\$ 835,348*
Surplus:				
Balance, June 30, 1950.....	\$107,537,169	\$75,918,050	\$ 4,384,221	\$26,079,040
Excess of revenues over expenses (above).....	1,887,305	4,253,263	1,510,410*	835,348*
Contributions from General City and County.....	4,272,552		1,062,772	2,996,780
Contributions from others.....	3,515,919	1,470,844		1,480,009
Other additions—net.....	49,858*	33,364*		6,194+
Balance, June 30, 1951.....	\$117,163,087	\$81,608,793	\$ 9,753,801	\$1,433,764

* Denotes loss.



EXHIBIT G
CITY AND COUNTY OF SAN FRANCISCO
BONDS AUTHORIZED BUT UNISSUED
June 30, 1951

General City and County:

1947 Street Improvement	\$11,450,000	
1947 Off-Street Parking	5,000,000	
1947 Recreation	6,270,000	
1948 Sewage Treatment	4,450,000	
1948 Schools	31,890,000	
	<hr/>	
Total General City and County—Exhibit A.....		\$59,060,000

Public Service Enterprises:

1947 Municipal Railway Rehabilitation	\$ 650,000	
1947 Hetch Hetchy Water	1,700,000	
1949 Airport	4,100,000	
1949 Cherry Valley Dam	4,000,000	
	<hr/>	
Total Public Service Enterprises.....		10,450,000
		<hr/>
Total bonds authorized and unissued		<u>\$69,510,000</u>

EXHIBIT H
CITY AND COUNTY OF SAN FRANCISCO
BONDED INDEBTEDNESS — JUNE 30, 1951

General City and County:

Schools:

March 1, 1923, 5%	\$ 4,800,000	
1948, Series A—March 1, 1949, 1¼% to 5½% ..	6,650,000	
1948, Series B—April 1, 1951, 1¼% and 1¾% ..	10,000,000	\$21,450,000

Parks and Playgrounds:

Parks and Squares—February 1, 1931, 4½%	\$ 504,000	
Playgrounds—February 1, 1931, 4½%	72,000	
1947 Recreation, Series A—August 1, 1948, 1¼% to 1¾%	2,232,000	
1947 Recreation, Series B—November 1, 1949, 1% to 4%	1,248,000	
1947 Recreation, Series C—September 1, 1950, 1% to 1½%	2,100,000	6,156,000

Boulevards and Roads:

Bernal Cut—July 1, 1927, 4½%	\$ 70,000	
Boulevard—November 1, 1927, 4½%	469,000	
Boulevards and Roads—February 1, 1931, 4½% ..	324,000	
1947 Street Improvement, Series A—February 1, 1948, 1½% and 2%	2,100,000	
1947 Street Improvement, Series B—August 1, 1949, 1% to 4%	1,950,000	
1947 Street Improvement, Series C—November 1, 1949, 1% to 4%	5,460,000	
1947 Street Improvement, Series D—September 1, 1950, 1¼% and 1½%	800,000	11,173,000

Sewers:

July 1, 1908, 5%	\$ 400,000	
January 1, 1929, 4½%	400,000	
December 1, 1933, 4%	1,025,000	
1944, Series B—February 1, 1948, 1¾% to 2½%	6,398,000	
1948 Sewage Treatment, Series A—August 1, 1949, 1% to 4%	7,361,000	
1948 Sewage Treatment, Series B—November 1, 1949, 1% to 4%	2,925,000	18,509,000

Fire Protection:

July 1, 1908, 5%	\$ 650,000	
High Pressure System—December 1, 1933, 3% ..	300,000	950,000

Other Issues:

Hospitals—January 1, 1929, 4½%	\$ 350,000	
City Hall and Civic Center—July 1, 1912, 5% ..	2,000,000	
Memorial Halls—July 1, 1927, 4½%	200,000	
County Jail—January 1, 1931, 4½%	50,000	
1944 Juvenile Home and Court—August 1, 1948, 1¼%	250,000	
1948 Juvenile Court and Detention Home, Series A—August 1, 1948, 1¼% to 1¾%	1,733,000	
1948 Juvenile Court and Detention Home, Series B—November 1, 1949, 1% to 4%	901,000	5,484,000

Total Bonded Indebtedness—General City and County—Exhibit A		\$63,722,000
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EXHIBIT H (Concluded)
CITY AND COUNTY OF SAN FRANCISCO
BONDED INDEBTEDNESS — JUNE 30, 1951

Public Service Enterprises:

Hetch Hetchy Water Supply and Power Project:

Water—July 1, 1910, 4½ %	\$14,000,000	
Hetch Hetchy Water—January 1, 1925, 5%	4,500,000	
Hetch Hetchy—July 1, 1928, 4½ %	16,200,000	
Hetch Hetchy—June 1, 1932, 2¾ % to 5¾ % ..	3,900,000	
Hetch Hetchy Dam—December 1, 1933, 4%	525,000	
1947 Hetch Hetchy Water, Series A—February 1, 1948, 1¾ % to 2½ %	6,375,000	
1947 Hetch Hetchy Water, Series B—August 1, 1948, 1¼ % and 1½ %	1,050,000	
1947 Hetch Hetchy Water, Series C—March 1, 1949, 1¼ %	1,650,000	
1947 Hetch Hetchy Water, Series D—November 1, 1949, 1% to 6%	8,287,000	
1947 Hetch Hetchy Water, Series E—September 1, 1950, 1¼ % and 1½ %	4,100,000	\$ 60,587,000

Water Department:

Spring Valley—July 1, 1928, 4½ %	\$20,000,000	
Water Distribution—December 1, 1933, 4%	1,683,000	21,683,000

Municipal Railway:

December 1, 1913, 5%	\$ 200,000	
1947 Rehabilitation, Series A—February 1, 1948, 1¾ % to 2½ %	5,198,000	
1947 Rehabilitation, Series B—August 1, 1948, 1¼ % to 4%	4,654,000	
1947 Rehabilitation, Series C—March 1, 1949, 1½ % and 6%	3,320,000	
1947 Rehabilitation, Series D—August 1, 1949, 1% to 4%	1,462,000	
1947 Rehabilitation, Series E—November 1, 1949, 1% to 4%	536,000	
1947 Rehabilitation, Series F—September 1, 1950, 1% and 1¼ %	2,400,000	
1947 Market Street Railway Refinancing, Series A—May 1, 1948, 1¼ %	1,650,000	19,420,000

San Francisco Airport:

1945, Series C—December 15, 1946, 1¼ % and 1½ %	\$ 7,500,000	
1945, Series D—February 1, 1948, 1½ %	800,000	
1945, Series E—November 1, 1949, 1% to 4% ..	1,355,000	
1945, Series F—September 1, 1950, 1¼ % and 1½ %	1,110,000	
1949, Series A—September 1, 1950, 1¼ % and 1½ %	3,800,000	
1949, Series B—April 1, 1951, 1¾ %	2,100,000	16,665,000

Total Bonded Indebtedness—Public Service Enterprises	\$118,355,000
Total Bonded Indebtedness—General City and County	63,722,000
Total Bonded Indebtedness, June 30, 1951 ..	<u>\$182,077,000</u>



EXHIBIT I — PAGE 1
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO
June 30, 1951

[illegible]



EXHIBIT I — PAGE 2
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO
June 30, 1951

GENERAL CITY AND COUNTY CURRENT FUNDS		GENERAL CITY AND COUNTY CURRENT FUNDS	
Cash	\$ 3,017,129	Cash	\$ 2,271,010
Receivables	\$ 838,620	Receivables	\$ 15,355
	\$ 58,360		\$ 1,164,645
	\$ 900,978		\$ 4,244
	\$ 282,480		\$ 1,267
	\$ 151,772		
	\$ 29,143		
	\$ 248,077		
	\$ 50,418		
	\$ 350,320		
	\$ 63,854		
	\$ 192,450		
	\$ 5,153		
	\$ 18,168		
	\$ 300,000		
	\$ 516,283		
	\$ 284,305		
	\$ 3,577,474		
	\$ 6,829,571		
	\$ 10,268,015		
	\$ 1,499,240		
	\$ 167,930**		
	\$ 171,332**		
	\$ 103,236**		
	\$ 32,721		
	\$ 5,057,859		
	\$ 1,108		
	\$ 112		
	\$ 46,689,913		
	\$ 3,597,318		
	\$ 143,368		
	\$ 53,873		
	\$ 836		
	\$ 201,871		
	\$ 3,999,466		
	\$ 50,689,379		
Total	\$ 2,411,015	Total	\$ 2,411,015
General Fund, 1951-52	\$ 11,717,329	General Fund, 1951-52	\$ 11,717,329
General Fund, prior years	\$ 853,975	General Fund, prior years	\$ 853,975
Capital Improvement	\$ 1,223,005	Capital Improvement	\$ 1,223,005
Recreation and Park	\$ 1,094,643	Recreation and Park	\$ 1,094,643
Library	\$ 356,401	Library	\$ 356,401
War Memorial	\$ 151,772	War Memorial	\$ 151,772
California Palace of the Legion of Honor	\$ 29,143	California Palace of the Legion of Honor	\$ 29,143
De Young Museum	\$ 248,077	De Young Museum	\$ 248,077
Publicity and Advertising	\$ 50,418	Publicity and Advertising	\$ 50,418
Bond Interest and Redemption Reserve	\$ 350,320	Bond Interest and Redemption Reserve	\$ 350,320
Special Election	\$ 63,854	Special Election	\$ 63,854
Employees' Retirement—Current	\$ 192,450	Employees' Retirement—Current	\$ 192,450
Tax Anticipation Note Interest	\$ 5,153	Tax Anticipation Note Interest	\$ 5,153
Embarcadero Widening	\$ 18,168	Embarcadero Widening	\$ 18,168
Alcoholic Beverage License Subsidy	\$ 300,000	Alcoholic Beverage License Subsidy	\$ 300,000
Tuberculosis Aid Subsidy	\$ 516,283	Tuberculosis Aid Subsidy	\$ 516,283
State Aid—Chapter 47, Statutes 1944	\$ 284,305	State Aid—Chapter 47, Statutes 1944	\$ 284,305
Special Road Improvement	\$ 3,577,474	Special Road Improvement	\$ 3,577,474
Special Gas Tax Street Improvement	\$ 6,829,571	Special Gas Tax Street Improvement	\$ 6,829,571
Cash Reserve	\$ 10,268,015	Cash Reserve	\$ 10,268,015
Emergency Reserve	\$ 1,499,240	Emergency Reserve	\$ 1,499,240
Auditorium	\$ 167,930**	Auditorium	\$ 167,930**
Firemen's Relief and Pension	\$ 171,332**	Firemen's Relief and Pension	\$ 171,332**
Police Relief and Pension	\$ 103,236**	Police Relief and Pension	\$ 103,236**
Unappropriated Funds	\$ 32,721	Unappropriated Funds	\$ 32,721
Delinquent Tax Installments	\$ 5,057,859	Delinquent Tax Installments	\$ 5,057,859
Tax Collector's Liabilities	\$ 1,108	Tax Collector's Liabilities	\$ 1,108
Redemption of Property	\$ 112	Redemption of Property	\$ 112
Totals	\$ 46,689,913	Totals	\$ 46,689,913
S. F. Unified School District	\$ 3,597,318	S. F. Unified School District	\$ 3,597,318
Child Care Center, State	\$ 143,368	Child Care Center, State	\$ 143,368
Special Account of Building Fund	\$ 53,873	Special Account of Building Fund	\$ 53,873
County School	\$ 836	County School	\$ 836
School Cafeteria	\$ 201,871	School Cafeteria	\$ 201,871
Totals	\$ 3,999,466	Totals	\$ 3,999,466
City and County Current Funds	\$ 50,689,379	City and County Current Funds	\$ 50,689,379
Deferred Credits	\$ 1,078,156	Deferred Credits	\$ 1,078,156
Unappropriated Appropriations	\$ 2,650,030	Unappropriated Appropriations	\$ 2,650,030
	\$ 181,508		\$ 181,508
	\$ 20,817		\$ 20,817
	\$ 1,094,643		\$ 1,094,643
	\$ 356,401		\$ 356,401
	\$ 151,772		\$ 151,772
	\$ 29,143		\$ 29,143
	\$ 248,077		\$ 248,077
	\$ 50,418		\$ 50,418
	\$ 350,320		\$ 350,320
	\$ 63,854		\$ 63,854
	\$ 192,450		\$ 192,450
	\$ 5,153		\$ 5,153
	\$ 18,168		\$ 18,168
	\$ 300,000		\$ 300,000
	\$ 516,283		\$ 516,283
	\$ 284,305		\$ 284,305
	\$ 3,577,474		\$ 3,577,474
	\$ 6,829,571		\$ 6,829,571
	\$ 10,268,015		\$ 10,268,015
	\$ 1,499,240		\$ 1,499,240
	\$ 167,930**		\$ 167,930**
	\$ 171,332**		\$ 171,332**
	\$ 103,236**		\$ 103,236**
	\$ 32,721		\$ 32,721
	\$ 5,057,859		\$ 5,057,859
	\$ 1,108		\$ 1,108
	\$ 112		\$ 112
	\$ 46,689,913		\$ 46,689,913
	\$ 3,597,318		\$ 3,597,318
	\$ 143,368		\$ 143,368
	\$ 53,873		\$ 53,873
	\$ 836		\$ 836
	\$ 201,871		\$ 201,871
	\$ 3,999,466		\$ 3,999,466
	\$ 50,689,379		\$ 50,689,379
Total	\$ 2,411,015	Total	\$ 2,411,015
General Fund, 1951-52	\$ 11,717,329	General Fund, 1951-52	\$ 11,717,329
General Fund, prior years	\$ 853,975	General Fund, prior years	\$ 853,975
Capital Improvement	\$ 1,223,005	Capital Improvement	\$ 1,223,005
Recreation and Park	\$ 1,094,643	Recreation and Park	\$ 1,094,643
Library	\$ 356,401	Library	\$ 356,401
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De Young Museum	\$ 248,077	De Young Museum	\$ 248,077
Publicity and Advertising	\$ 50,418	Publicity and Advertising	\$ 50,418
Bond Interest and Redemption Reserve	\$ 350,320	Bond Interest and Redemption Reserve	\$ 350,320
Special Election	\$ 63,854	Special Election	\$ 63,854
Employees' Retirement—Current	\$ 192,450	Employees' Retirement—Current	\$ 192,450
Tax Anticipation Note Interest	\$ 5,153	Tax Anticipation Note Interest	\$ 5,153
Embarcadero Widening	\$ 18,168	Embarcadero Widening	\$ 18,168
Alcoholic Beverage License Subsidy	\$ 300,000	Alcoholic Beverage License Subsidy	\$ 300,000
Tuberculosis Aid Subsidy	\$ 516,283	Tuberculosis Aid Subsidy	\$ 516,283
State Aid—Chapter 47, Statutes 1944	\$ 284,305	State Aid—Chapter 47, Statutes 1944	\$ 284,305
Special Road Improvement	\$ 3,577,474	Special Road Improvement	\$ 3,577,474
Special Gas Tax Street Improvement	\$ 6,829,571	Special Gas Tax Street Improvement	\$ 6,829,571
Cash Reserve	\$ 10,268,015	Cash Reserve	\$ 10,268,015
Emergency Reserve	\$ 1,499,240	Emergency Reserve	\$ 1,499,240
Auditorium	\$ 167,930**	Auditorium	\$ 167,930**
Firemen's Relief and Pension	\$ 171,332**	Firemen's Relief and Pension	\$ 171,332**
Police Relief and Pension	\$ 103,236**	Police Relief and Pension	\$ 103,236**
Unappropriated Funds	\$ 32,721	Unappropriated Funds	\$ 32,721
Delinquent Tax Installments	\$ 5,057,859	Delinquent Tax Installments	\$ 5,057,859
Tax Collector's Liabilities	\$ 1,108	Tax Collector's Liabilities	\$ 1,108
Redemption of Property	\$ 112	Redemption of Property	\$ 112
Totals	\$ 46,689,913	Totals	\$ 46,689,913
S. F. Unified School District	\$ 3,597,318	S. F. Unified School District	\$ 3,597,318
Child Care Center, State	\$ 143,368	Child Care Center, State	\$ 143,368
Special Account of Building Fund	\$ 53,873	Special Account of Building Fund	\$ 53,873
County School	\$ 836	County School	\$ 836
School Cafeteria	\$ 201,871	School Cafeteria	\$ 201,871
Totals	\$ 3,999,466	Totals	\$ 3,999,466
City and County Current Funds	\$ 50,689,379	City and County Current Funds	\$ 50,689,379
Deferred Credits	\$ 1,078,156	Deferred Credits	\$ 1,078,156
Unappropriated Appropriations	\$ 2,650,030	Unappropriated Appropriations	\$ 2,650,030
	\$ 181,508		\$ 181,508
	\$ 20,817		\$ 20,817
	\$ 1,094,643		\$ 1,094,643
	\$ 356,401		\$ 356,401
	\$ 151,772		\$ 151,772
	\$ 29,143		\$ 29,143
	\$ 248,077		\$ 248,077
	\$ 50,418		\$ 50,418
	\$ 350,320		\$ 350,320
	\$ 63,854		\$ 63,854
	\$ 192,450		\$ 192,450
	\$ 5,153		\$ 5,153
	\$ 18,168		\$ 18,168
	\$ 300,000		\$ 300,000
	\$ 516,283		\$ 516,283
	\$ 284,305		\$ 284,305
	\$ 3,577,474		\$ 3,577,474
	\$ 6,829,571		\$ 6,829,571
	\$ 10,268,015		\$ 10,268,015
	\$ 1,499,240		\$ 1,499,240
	\$ 167,930**		\$ 167,930**
	\$ 171,332**		\$ 171,332**
	\$ 103,236**		\$ 103,236**
	\$ 32,721		\$ 32,721
	\$ 5,057,859		\$ 5,057,859
	\$ 1,108		\$ 1,108
	\$ 112		\$ 112
	\$ 46,689,913		\$ 46,689,913
	\$ 3,597,318		\$ 3,597,318
	\$ 143,368		\$ 143,368
	\$ 53,873		\$ 53,873
	\$ 836		\$ 836
	\$ 201,871		\$ 201,871
	\$ 3,999,466		\$ 3,999,466
	\$ 50,689,379		\$ 50,689,379
Total	\$ 2,411,015	Total	\$ 2,411,015
General Fund, 1951-52	\$ 11,717,329	General Fund, 1951-52	\$ 11,717,329
General Fund, prior years	\$ 853,975	General Fund, prior years	\$ 853,975
Capital Improvement	\$ 1,223,005	Capital Improvement	\$ 1,223,005
Recreation and Park	\$ 1,094,643	Recreation and Park	\$ 1,094,643
Library	\$ 356,401	Library	\$ 356,401
War Memorial	\$ 151,772	War Memorial	\$ 151,772
California Palace of the Legion of Honor	\$ 29,143	California Palace of the Legion of Honor	\$ 29,143
De Young Museum	\$ 248,077	De Young Museum	\$ 248,077
Publicity and Advertising	\$ 50,418	Publicity and Advertising	\$ 50,418
Bond Interest and Redemption Reserve	\$ 350,320	Bond Interest and Redemption Reserve	\$ 350,320
Special Election	\$ 63,854	Special Election	\$ 63,854
Employees' Retirement—Current	\$ 192,450	Employees' Retirement—Current	\$ 192,450
Tax Anticipation Note Interest	\$ 5,153	Tax Anticipation Note Interest	\$ 5,153
Embarcadero Widening	\$ 18,168	Embarcadero Widening	\$ 18,168
Alcoholic Beverage License Subsidy	\$ 300,000	Alcoholic Beverage License Subsidy	\$ 300,000
Tuberculosis Aid Subsidy	\$ 516,283	Tuberculosis Aid Subsidy	\$ 516,283
State Aid—Chapter 47, Statutes 1944	\$ 284,305	State Aid—Chapter 47, Statutes 1944	\$ 284,305
Special Road Improvement	\$ 3,577,474	Special Road Improvement	\$ 3,577,474
Special Gas Tax Street Improvement	\$ 6,829,571	Special Gas Tax Street Improvement	\$ 6,829,571
Cash Reserve	\$ 10,268,015	Cash Reserve	\$ 10,268,015
Emergency Reserve	\$ 1,499,240	Emergency Reserve	\$ 1,499,240
Auditorium	\$ 167,930**	Auditorium	\$ 167,930**
Firemen's Relief and Pension	\$ 171,332**	Firemen's Relief and Pension	\$ 171,332**
Police Relief and Pension	\$ 103,236**	Police Relief and Pension	\$ 103,236**
Unappropriated Funds	\$ 32,721	Unappropriated Funds	\$ 32,721
Delinquent Tax Installments	\$ 5,057,859	Delinquent Tax Installments	\$ 5,057,859
Tax Collector's Liabilities	\$ 1,108	Tax Collector's Liabilities	\$ 1,108
Redemption of Property	\$ 112	Redemption of Property	\$ 112
Totals	\$ 46,689,913	Totals	\$ 46,689,913
S. F. Unified School District	\$ 3,597,318	S. F. Unified School District	\$ 3,597,318
Child Care Center, State	\$ 143,368	Child Care Center, State	\$ 143,368
Special Account of Building Fund	\$ 53,873	Special Account of Building Fund	\$ 53,873
County School	\$ 836	County School	\$ 836
School Cafeteria	\$ 201,871	School Cafeteria	\$ 201,871
Totals	\$ 3,999,466	Totals	\$ 3,999,466
City and County Current Funds	\$ 50,689,379	City and County Current Funds	\$ 50,689,379
Deferred Credits	\$ 1,078,156	Deferred Credits	\$ 1,078,156
Unappropriated Appropriations	\$ 2,650,030	Unappropriated Appropriations	\$ 2,650,030
	\$ 181,508		\$ 181,508
	\$ 20,817		\$ 20,817
	\$ 1,094,643		\$ 1,094,643
	\$ 356,401		\$ 356,401
	\$ 151,772		\$ 151,772
	\$ 29,143		\$ 29,143
	\$ 248,077		\$ 248,077
	\$ 50,418		\$ 50,418
	\$ 350,320		\$ 350,320
	\$ 63,854		\$ 63,854
	\$ 192,450		\$ 192,450
	\$ 5,153		\$ 5,153
	\$ 18,168		\$ 18,168
	\$ 300,000		\$ 300,000
	\$ 516,283		\$ 516,283
	\$ 284,305		\$ 284,305
	\$ 3,577,474		\$ 3,577,474
	\$ 6,829,571		\$ 6,829,571
	\$ 10,268,015		\$ 10,268,015
	\$ 1,499,240		\$ 1,499,240
	\$ 167,930**		\$ 167,930**
	\$ 171,332**		\$ 171,332**
	\$ 103,236**		\$ 103,236**
	\$ 32,721		\$ 32,721
	\$ 5,057,859		\$ 5,057,859
	\$ 1,108		\$ 1,108
	\$ 112		\$ 112
	\$ 46,689,913		\$ 46,689,913
	\$ 3,597,318		\$ 3,597,318
	\$ 143,368		\$ 143,368
	\$ 53,873		\$ 53,873
	\$ 836		\$ 836
	\$ 201,871		\$ 201,871
	\$ 3,999,466		\$ 3,999,466
	\$ 50,689,379		\$ 50,689,379
Total	\$ 2,411,015	Total	\$ 2,411,015
General Fund, 1951-52	\$ 11,717,329	General Fund, 1951-52	\$ 11,717,329
General Fund, prior years	\$ 853,975	General Fund, prior years	\$ 853,975
Capital Improvement	\$ 1,223,005	Capital Improvement	\$ 1,223,005
Recreation and Park	\$ 1,094,643	Recreation and Park	\$ 1,094,643
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War Memorial	\$ 151,772	War Memorial	\$ 151,772
California Palace of the Legion of Honor	\$ 29,143	California Palace of the Legion of Honor	\$ 29,143
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Bond Interest and Redemption Reserve	\$ 350,320	Bond Interest and Redemption Reserve	\$ 350,320
Special Election	\$ 63,854	Special Election	\$ 63,854
Employees' Retirement—Current	\$ 192,450	Employees' Retirement—Current	\$ 192,450
Tax Anticipation Note Interest	\$		



June 30, 1951

Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
11,893,660					40,043				
1,225,749					108,932				
124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
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124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
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124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
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124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
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124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
11,893,660					40,043				
1,225,749					108,932				
124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
11,893,660					40,043				
1,225,749					108,932				
124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942 Fire Protection	209	209				
3,815,117			1944 Juvenile Home and Court (1948 Juvenile Court and Detention Home)	5,762,177	3,160,379	402,868			
453,273			1947 Off-Street Parking	453,273	144,033				
683,201			1947 Street Improvement	5,683,201	677,300				
5,313,849			1947 Recreation	8,369,414	3,041,214				
2,099,414			1948 Sewage Treatment	7,772,388	5,652,919				
3,322,388			1948 Schools	43,783,660	24,317,000				
11,893,660					40,043				
1,225,749					108,932				
124,922					\$48,069,992				
\$28,995,751					\$20,853,817				
Cash	Other Resources	Total	GENERAL CITY AND COUNTY CAPITAL FUNDS	Total	Unencumbered Appropriations	Unappropriated	Encumbrances	Interfund Accounts	Reserves
\$ 2,488	\$	2,488	1927 Bernal Gut	\$ 2,488	\$ 300	\$ 79	\$ 1,139	\$	\$970
39,210			1927 Boulevard	39,210	39,210			29,509	
84			1929 Hospital	84	84				
665			1929 Sewer	665	665				
150			1931 Boulevards and Roads	150	150				
276			1933 High Pressure	276	276				
21,007			1933 Sewers	21,007					
89			1938 Hospitals	89	21,007	17,052	3,955		
209			1942						



EXHIBIT I — PAGE 4
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO
June 30, 1951

\$5,665,666	\$687,196	\$927,308	\$95,635,075	\$102,915,245	Total public trust funds	\$102,915,245	\$738,297
342				342	Veterans' Education—School		
988				988	Tuberculosis Trust		
857,757	58,309			916,066	State Highway		718,064
568,179				568,179	State Aid		
195				195	Special Anecdotal Book Fund		
110				110	Social Service		
195				195	Servicemen's Overmight Housing		
110				111	S. F. Hospital—Children's Ward		
220				220	S. F. Hospital House		
195				195	Police Range		
3,659				3,659	Pan American Society		
245				245	P. I. E. Trust		
1,399	104		15,670	17,173	Musician's Club		
508				508	Leach, E. T.		
95				95	Laguna Honda Work Shop		
3,897				3,897	Infantile Paralysis		
2,023				2,023	Health Service		
197,094				197,094	De Young Museum Art Trust		
9,150				9,150	Windel		
7,292	157		15,000	22,449	Sutro		
64			5,000	5,074	Stryling		
54,680	416		150,000	205,096	Steinbrunn		
10,176			5,000	15,176	Sneide		
6,587				6,587	Sharp		
4,951	66		9,000	14,017	Robinson		
2,687	469		45,000	48,156	Phelan—California Palace of the Legion of Honor		
187	6		1,000	1,193	Olsen		
450				450	McLaren		
548	23		979	1,550	Marx		
2,228	5		5,000	7,233	Magnin		
8				8	Lewis		
7,327	45		2,073	9,445	Huntington		
157				157	Herzstein		
746			2,000	2,746	Fuhrman—Joint Custody		
1,293				1,293	Fuhrman—Park		
2,036	116		8,379	10,531	Fuhrman—Library		
10,545			50,990	61,535	Fallon		
61,794				61,794	Brunetti		
950	251		120,189	121,390	Brayton		
300				300	Bender		
1,167				1,261	Beardsley		
11,948			94	11,948	Bequests:		
124				124	Employees' Retirement System		
7,287				7,287	Total	\$100,578,195	\$18,358
						\$100,578,195	\$ 4,476
						\$100,555,361	
						Fund Balances	
						Encumbrances	
						Interfund Accounts	

EXHIBIT I — PAGE 5
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO
June 30, 1951

PRIVATE TRUST FUNDS				Total			
Cash				Fund	Encum-	Interfund	
\$				\$	brances	Accounts	
1,035	26,910	36,859	601	1,035	\$	\$	
Absent Creditors	Adult Probation Officers' Clearing Account	601	16,659	26,910			
601	Adult Probation Officers' Deposit	36,859	16,659	26,910			
16,659	Coroner's Unclaimed Money	58,724	58,724	58,724			
58,724	County Clerk Bail	1,136,294	1,136,294	1,136,294			
1,136,294	County Clerk Special	8,709	8,709	8,709			
8,709	De Young Museum Trust	30,210	30,210	30,210			
30,210	Duplicate Taxes	24,608	24,608	24,608			
24,608	Electrical Deposits	18,073	18,073	18,073			
18,073	Jail Stores Deposits	5,958	5,958	5,958			
5,958	Juvenile Court Deposits	310	310	310			
310	California Palace of the Legion of Honor	120,639	120,639	120,639			
120,639	Municipal Court Bail	19,849	19,849	19,849			
19,849	Municipal Court Special	888	888	888			
888	Municipal Court Suspense	2,323	2,323	2,323			
2,323	Police Department Deposits	23,045	23,045	23,045			
23,045	Realty Deposits	16,031	16,031	16,031			
16,031	School Teachers' Sabbatical Leave	4,268	4,268	4,268			
4,268	Sheriff's Inmate Welfare Fund	72,066	72,066	72,066			
72,066	Sheriff's Trust	395	395	395			
395	Special Badge	444	444	444			
444	Street Improvement	574	574	574			
574	Street Improvement—Ordinance 1934	10,148	10,148	10,148			
10,148	Sunset Tunnel Assessment Refund	13,713	13,713	13,713			
13,713	Traffic Court Suspense	18,779	18,779	18,779			
18,779	Twin Peaks Tunnel Refund	49,836	49,836	49,836			
49,836	War Bonds	484,369	484,369	484,369			
484,369	Withholding Tax—General	254,816	254,816	254,816			
254,816	Withholding Tax—S. F. United School District	147,713	147,713	147,713			
147,713	Withholding Tax—Municipal Railway	21,777	21,777	21,777			
21,777	F. I. C. A. Taxes—Municipal Railway						
\$2,626,933	Total private trust funds	\$2,626,933	\$2,626,933	\$2,626,933			
		\$433	\$433	\$433			
		\$4,465	\$4,465	\$4,465			



June 30, 1951

Cash		Receivables		Interfund		Total	
\$	938	\$	938	\$	938	\$	938
3,623	3,623	3,623	3,623	3,623	3,623	3,623	3,623
1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302
4,233	4,233	4,233	4,233	4,233	4,233	4,233	4,233
461	461	461	461	461	461	461	461
1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
64	64	64	64	64	64	64	64
332	332	332	332	332	332	332	332
142	142	142	142	142	142	142	142
8	8	8	8	8	8	8	8
\$	12,344	\$	12,344	\$	12,684	\$	12,684
AGENCY FUNDS							
\$	176	\$	176	\$	176	\$	176
10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104
60,643	60,643	60,643	60,643	60,643	60,643	60,643	60,643
2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165
6,253	6,253	6,253	6,253	6,253	6,253	6,253	6,253
264,032	264,032	264,032	264,032	264,032	264,032	264,032	264,032
3,367	3,367	3,367	3,367	3,367	3,367	3,367	3,367
14,798	14,798	14,798	14,798	14,798	14,798	14,798	14,798
34,218	34,218	34,218	34,218	34,218	34,218	34,218	34,218
263,244	263,244	263,244	263,244	263,244	263,244	263,244	263,244
1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260
12,387	12,387	12,387	12,387	12,387	12,387	12,387	12,387
49,288	49,288	49,288	49,288	49,288	49,288	49,288	49,288
\$	723,035	\$	723,035	\$	723,035	\$	723,035
Total Agency Funds							
AGENCY FUNDS							
\$	12,684	\$	12,684	\$	12,684	\$	12,684
City Lands—Assessment	938	City Lands—Assessment	938	City Lands—Assessment	938	City Lands—Assessment	938
City Lands—Redemption	3,623	City Lands—Redemption	3,623	City Lands—Redemption	3,623	City Lands—Redemption	3,623
Circular Avenue—Assessments	1,302	Circular Avenue—Assessments	1,302	Circular Avenue—Assessments	1,302	Circular Avenue—Assessments	1,302
Circular Avenue—Redemptions	4,233	Circular Avenue—Redemptions	4,233	Circular Avenue—Redemptions	4,233	Circular Avenue—Redemptions	4,233
Virginia Avenue—Assessments	461	Virginia Avenue—Assessments	461	Virginia Avenue—Assessments	461	Virginia Avenue—Assessments	461
Virginia Avenue—Redemptions	1,581	Virginia Avenue—Redemptions	1,581	Virginia Avenue—Redemptions	1,581	Virginia Avenue—Redemptions	1,581
Saturn Street—Redemptions	64	Saturn Street—Redemptions	64	Saturn Street—Redemptions	64	Saturn Street—Redemptions	64
Sunset Tunnel Assessments	332	Sunset Tunnel Assessments	332	Sunset Tunnel Assessments	332	Sunset Tunnel Assessments	332
Oakwood Street Assessments	142	Oakwood Street Assessments	142	Oakwood Street Assessments	142	Oakwood Street Assessments	142
Twin Peaks Tunnel Assessments	8	Twin Peaks Tunnel Assessments	8	Twin Peaks Tunnel Assessments	8	Twin Peaks Tunnel Assessments	8
Total Assessment and Redemption Funds	12,684	Total Assessment and Redemption Funds	12,684	Total Assessment and Redemption Funds	12,684	Total Assessment and Redemption Funds	12,684
AGENCY FUNDS							
\$	176	\$	176	\$	176	\$	176
Golden Gate Bridge and Highway District	176	Golden Gate Bridge and Highway District	176	Golden Gate Bridge and Highway District	176	Golden Gate Bridge and Highway District	176
Islands Creek Reclamation District—Assessment	10,104	Islands Creek Reclamation District—Assessment	10,104	Islands Creek Reclamation District—Assessment	10,104	Islands Creek Reclamation District—Assessment	10,104
Islands Creek Reclamation District—General	60,643	Islands Creek Reclamation District—General	60,643	Islands Creek Reclamation District—General	60,643	Islands Creek Reclamation District—General	60,643
Islands Creek Reclamation District—Interest	2,165	Islands Creek Reclamation District—Interest	2,165	Islands Creek Reclamation District—Interest	2,165	Islands Creek Reclamation District—Interest	2,165
Law Library	6,253	Law Library	6,253	Law Library	6,253	Law Library	6,253
State Inheritance Tax	264,032						



EXHIBIT I — PAGE 7
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO
June 30, 1951

PUBLIC SERVICE ENTERPRISES FUNDS	Total	Hetch Hetchy:	Water Department:	Municipal Railway:	Airport:	Public Utilities Commission:	Total Public Service Enterprises Funds.
Cash	\$ 837,137	\$ 143,346	\$ 464,577	\$ 1,445,060	\$ 1,445,512	\$ 511,512	\$ 1,445,512
Receivables	\$ 143,346	\$ 143,346	\$ 464,577	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000
Interfund	\$ 464,577	\$ 464,577	\$ 464,577	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000
Other Resources	\$ 464,577	\$ 464,577	\$ 464,577	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000	\$ 5,700,000
Total	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060
Operating—							
Reconstruction and Replacement	511,512	511,512	511,512	1,427,500	1,427,500	1,427,500	1,427,500
Bond Interest and Redemption	1,427,500	1,427,500	1,427,500	26,340	26,340	26,340	26,340
1932 Bonds	26,340	26,340	26,340	7,109,107	7,109,107	7,109,107	7,109,107
1947 Water Bonds	7,109,107	7,109,107	7,109,107	5,764,010	5,764,010	5,764,010	5,764,010
1949 Cherry Valley Dam Bonds	5,764,010	5,764,010	5,764,010	2,896	2,896	2,896	2,896
Real Property	2,896	2,896	2,896				
Total Hetch Hetchy	\$ 16,286,425	\$ 16,286,425	\$ 16,286,425				
Operating—							
Reconstruction and Replacement	2,208,150	2,208,150	2,208,150	359,810	359,810	359,810	359,810
Extension Reserve	1,951,283	1,951,283	1,951,283	1,202,074	1,202,074	1,202,074	1,202,074
1942 Water Works Bonds	1,202,074	1,202,074	1,202,074	1,450,000	1,450,000	1,450,000	1,450,000
Bond Interest and Redemption	1,450,000	1,450,000	1,450,000	59,059	59,059	59,059	59,059
Real Property	59,059	59,059	59,059				
Total Water Department	\$ 7,230,376	\$ 7,230,376	\$ 7,230,376				
Operating—							
Reconstruction and Replacement	2,257,196	2,257,196	2,257,196	132,517	132,517	132,517	132,517
Rehabilitation Bonds	132,517	132,517	132,517	3,390,268	3,390,268	3,390,268	3,390,268
1947 Market Street Railway Refinancing	3,390,268	3,390,268	3,390,268	4,537	4,537	4,537	4,537
Real Property	4,537	4,537	4,537				
Total Municipal Railway	\$ 5,785,518	\$ 5,785,518	\$ 5,785,518				
Operating—							
Bond Interest and Redemption	268,831	268,831	268,831	6,125	6,125	6,125	6,125
Special Aviation	16,731	16,731	16,731	5,023	5,023	5,023	5,023
1938 Bonds	5,023	5,023	5,023	2,415,008	2,415,008	2,415,008	2,415,008
1945 Bonds	2,415,008	2,415,008	2,415,008	6,807,978	6,807,978	6,807,978	6,807,978
1949 Bonds	6,807,978	6,807,978	6,807,978	11,224,430	11,224,430	11,224,430	11,224,430
Federal Airport Project	11,224,430	11,224,430	11,224,430				
Total Airport	\$ 20,744,126	\$ 20,744,126	\$ 20,744,126				
Operating—							
Bond Interest and Redemption	268,831	268,831	268,831	6,125	6,125	6,125	6,125
1945 Bonds	6,125	6,125	6,125	1,803	1,803	1,803	1,803
1938 Bonds	1,803	1,803	1,803	14,928	14,928	14,928	14,928
1949 Bonds	14,928	14,928	14,928	505,111	505,111	505,111	505,111
1949 Bonds	505,111	505,111	505,111	6,262	6,262	6,262	6,262
1949 Bonds	6,262	6,262	6,262	3,132,000	3,132,000	3,132,000	3,132,000
1949 Bonds	3,132,000	3,132,000	3,132,000				
Total Public Service Enterprises Funds	\$ 753,500	\$ 753,500	\$ 753,500	\$ 50,799,945	\$ 50,799,945	\$ 50,799,945	\$ 50,799,945
Deferred Credits	\$ 21,013	\$ 21,013	\$ 21,013	\$ 4,281,405	\$ 4,281,405	\$ 4,281,405	\$ 4,281,405
Unencumbered Appropriations	\$ 496,371	\$ 496,371	\$ 496,371	\$ 503,656	\$ 503,656	\$ 503,656	\$ 503,656
Unappropriated Encumbrances	\$ 444,927	\$ 444,927	\$ 444,927	\$ 3,371	\$ 3,371	\$ 3,371	\$ 3,371
Interfund Accounts	\$ 386,067	\$ 386,067	\$ 386,067	\$ 96,682	\$ 96,682	\$ 96,682	\$ 96,682
Reserves	\$ 1,427,500	\$ 1,427,500	\$ 1,427,500	\$ 805,967	\$ 805,967	\$ 805,967	\$ 805,967
Total	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060	\$ 1,445,060

Treasurer's Office



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1951

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER
TREASURER'S OFFICE
REPORT ON EXAMINATION OF ACCOUNTS
For the Fiscal Year Ended June 30, 1951

September 20, 1951

Mr. Harry D. Ross
Controller
City and County of San Francisco

Dear Sir:

In accordance with your instructions and pursuant to provision of Charter Section 66, an examination was made of the accounts of the Treasurer's Office for the fiscal year ended June 30, 1951.

At the election held November 8, 1949, Mr. John J. Goodwin was elected as Treasurer for a four year term beginning January 8, 1950. Mr. Goodwin's Oath of Office was filed with the County Clerk December 13, 1949.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

As directed by you, two reports have been prepared of this examination, as follows:

- (1) One report for publication in the Controller's Annual Report for the fiscal year ended June 30, 1951, the text of which follows.
- (2) A more detailed report hereinafter referred to as "The Detailed Report," substantially identical with the above, supplemented by detailed exhibits and appendix containing a digest of changes in laws affecting the Treasurer. Copies of this report were distributed to City and County Officials, the Grand Jury, the press and to certified public accounting firms engaged this year by the City and County of San Francisco.

AUTHORITY

The Treasurer's Office is conducted under the provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors.

Laws governing the operation of the Treasurer's Office, including changes and additions thereto during the fiscal year 1950-1951, are included in the appendix of "The Detailed Report."

Annual and continuing ordinances and resolutions pertaining to financial transactions in connection with the operation of the Treasurer's Office during the fiscal year 1950-1951 are cited as follows:

Date	Bill* or File No.	Ordinance No.	Resolution No.	Subject Matter
3-14-32	37*	5023	.....	Payroll Procedure
8-16-37	.....	.....	3469	Deposit of Funds in Banks
5-20-41	1233*	1184	.....	Fiscal Agent—New York
6-12-42	.....	.....	2666	U. S. Savings Bonds (Payroll Allot.)
6- 8-44	.....	.....	3786	U. S. Savings Bonds (Sales Fund)
4-16-47	4641*	4376	.....	Bond Ordinance—Treasurer
3-31-48	5216*	4915	.....	Bond Ordinance—Employees
6- 1-50	5612	6055	.....	Annual Appropriation Ordinance
6-27-50	5150	6105	.....	Annual Salary Ordinance
Municipal Code, Part 1, Section 103 to 124—				Purchasing Procedure

SCOPE OF EXAMINATION

The scope of the examination included a verification of the accounts and records maintained by the Treasurer, as hereinafter reported. In view of the existing method of internal check maintained in the Treasurer's Office and methods of internal check and continuous audit of receipts and disbursements maintained by the Controller, a detailed audit of receipts and disbursements was not included within the scope of this examination.

Cash on hand June 30, 1951, totaling \$866,476.00 was verified by count. Cash on deposit in banks in the amount of \$100,349,894.19, as shown by the Treasurer's records, was reconciled with bank statements and confirmed by the several depositaries. The total cash and cash items on hand, June 30, 1951, in the amount of \$101,656,686.45, was reconciled with the Controller's records.

Securities and other assets in the custody of the Treasurer were examined, counted and verified as to statutory requirements. Par values of securities scheduled were confirmed by the respective depositaries.

Revenues and expenditures in connection with the operation of the Treasurer's Office were reviewed. These items are currently audited by the Controller's General Office; a duplication of this audit was not included in this examination.

The unused pre-numbered fee tags on hand were reconciled to tags charged to the Treasurer by the Controller's revenue division.

The Treasurer's Office is the depository of funds of the Islais Creek Reclamation District. An examination of the accounts and records of the Islais Creek Reclamation District was not included within the scope of this assignment.

EXAMINATION

The Treasurer's accountability as at June 30, 1951, amounted to \$312,810,325.45, summarized from Exhibit "A" as follows:

Cash Items	\$101,656,686.45
Securities (Par Value Bonds)	211,148,600.00
Other Deposits	5,039.00
Total	\$312,810,325.45

Comments regarding items comprising the above \$312,810,325.45 follow:

Cash totaling \$101,656,686.45, consisting of cash on hand, cash in banks, and other items representing cash at the close of business June 30, 1951, was in agreement with the amount charged to the Treasurer by the Controller on that date, as indicated in this summary:

Cash on hand:

Coin and currency	\$ 664,435.94	
Checks on hand for deposit	202,040.06	\$ 866,476.00

Cash in banks:

Active accounts	\$48,564,894.19	
Inactive accounts	51,785,000.00	100,349,894.19

United States Bonds:

Bail Deposits		117,300.00
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Total cash and cash items verified June 30, 1951	101,333,670.19
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Cash and cash items received after June 30, 1951, and applied to the fiscal year 1950-1951	323,016.26
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TOTAL CASH AND CASH ITEMS—AS AT JUNE 30, 1951..	\$101,656,686.45
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TOTAL PER CONTROLLER'S RECORDS—

AS AT JUNE 30, 1951.....	\$101,656,686.45
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The \$101,656,686.45 is summarized by fund classifications as hereunder:

CURRENT FUNDS

General City Funds	\$30,565,925.21	
Public Service Enterprises	8,144,860.31	
General City—Bond Interest Funds	40,647.33	
Public Service Enterprises—Bond Interest Funds..	955,397.50	
General City—Bond Redemption Funds.....	12,000.00	
Public Service Enterprises— Bond Redemption Funds	2,055,900.00	
TOTAL CURRENT FUNDS		\$ 41,774,730.35

CAPITAL FUNDS

General City Funds	\$29,258,107.00	
Public Service Enterprises	21,635,608.85	
TOTAL CAPITAL FUNDS		50,893,715.85

SPECIAL AND TRUST FUNDS

Private Trust Funds	\$ 2,047,827.18	
Public Trust Funds	6,129,755.51	
Assessment and Redemption Funds	12,343.55	
Agency Funds	798,314.01	
TOTAL SPECIAL AND TRUST FUNDS		8,988,240.25
TOTAL		\$101,656,686.45

Reconciliation of the Controller's available cash and the Treasurer's balance of cash on hand as at June 30, 1951, follows:

Per Controller's Ledger Balance:

Available Cash	\$ 93,173,203.65
Outstanding Items	8,483,482.80

Treasurer's Cash on Hand—June 30, 1951\$101,656,586.45

According to the records of the Controller's Division of Accounts and Reports, the outstanding items indicated above consist of:

	Matured and Unpaid		Warrants	Total
	Coupons	Bonds		
General City	\$12,759.00	\$12,000.00	\$6,871,636.51	\$6,896,395.51
Public Service Enterprises	71,772.50	55,900.00	1,459,414.79	1,587,087.29
Total	\$84,531.50	\$67,900.00	\$8,331,051.30	\$8,483,482.80

Coin and Currency—\$664,435.94

Coin and currency in the amount of \$664,435.94 were verified by count.

Checks on hand for deposit—\$202,040.06

Checks on hand totaling \$202,040.06 were of current date, and appeared to have been received in the usual order of business. The checks were deposited on the next business day in the Bank of America, as evidenced by Deposit Receipt No. 9148 for \$202,040.06.

Cash in Banks—\$100,349,894.19

Cash confirmed directly to be on deposit in banks at the close of business, June 30, 1951, amounting to \$100,663,630.88, was reconciled to Treasurer's Ledger Balances totaling \$100,349,894.19, detailed as follows:

Bank	Inactive Accounts	Active Accounts	Total	Per Cent
American Trust Company	\$ 4,000,000.00	\$ 4,013,088.59	\$ 8,013,088.59	7.98%
Anglo California National Bank ..	7,375,000.00	7,375,000.00	14,750,000.00	14.70%
Bank of America	26,110,000.00	23,005,431.94	49,115,431.94	48.96%
Bank of Canton	400,000.00	400,000.00	800,000.00	.80%
Bank of California..	4,250,000.00	4,250,000.00	8,500,000.00	8.47%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	.99%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.29%
Crocker First National Bank ..	1,500,000.00	999,873.60	2,499,873.60	2.49%
Pacific National Bank	500,000.00	500,000.00	1,000,000.00	.99%
San Francisco Bank	2,500,000.00	2,500,000.00	5,000,000.00	4.98%
Wells Fargo Bank & Union Trust Co.	4,000,000.00	4,371,500.06	8,371,500.06	8.35%
Total Cash in Banks	<u>\$51,785,000.00</u>	<u>\$48,564,894.19</u>	<u>\$100,349,894.19</u>	<u>100.00%</u>

Resolution No. 3469 of the Board of Supervisors, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements as required by law for the deposit of funds under his jurisdiction and to determine the amounts that shall be deposited in either active or inactive accounts.

Government Code (1949 Supplement) Article 11, Deposit of Funds, Section 53638, reads in part as follows:

"Maximum deposit. The deposit shall not exceed the paid-up capital, exclusive of reserve and surplus, of any depository."

The amount on deposit in the several banks are within this limitation, as compared and detailed on Exhibit A-1, of "The Detailed Report."

All funds on deposit in banks are covered by collateral securities of Federal, State and other Governmental issues as required by Government Code, Article 11, Section 53,651.

Exhibit A-1 of "The Detailed Report" indicates the balances of each account per bank confirmation, as at June 30, 1951, and its status with respect to the various sections of Government Code, Article 11, Deposit of Funds.

Cash on deposit in banks in inactive accounts at the close of business June 30, 1951, was further evidenced by Certificates of Deposits on hand with the Treasurer as follows:

Cert. No.	Date	Depository	Amount on Deposit	Int. Rate	Payable On Demand after
154	1- 1-50	American Trust Company	\$ 4,000,000.00	1%	30 Days
170	4-13-51	Anglo California National Bank.....	750,000.00	1¼%	90 Days
169	4-13-51	Anglo California National Bank.....	6,625,000.00	1¼%	90 Days
168	4- 1-51	Bank of America	5,000,000.00	1¼%	90 Days
152	1- 1-50	Bank of America	60,000.00	1%	30 Days
151	1- 1-50	Bank of America	750,000.00	1%	30 Days
150	1- 1-50	Bank of America	15,300,000.00	1%	30 Days
167	2- 1-51	Bank of America	5,000,000.00	1¼%	90 Days
163	9-21-50	Bank of California	4,250,000.00	1%	30 Days
162	6-24-50	Bank of Canton	400,000.00	1%	90 Days
164	10- 4-50	Bank of Montreal	500,000.00	1%	30 Days
153	12- 9-49	Canadian Bank of Commerce	650,000.00	1%	30 Days
155	2- 1-50	Crocker First National Bank	500,000.00	1%	30 Days
171	6- 1-51	Crocker First National Bank	1,000,000.00	1%	30 Days
158	3-16-50	Pacific National Bank	500,000.00	1%	30 Days
161	6-14-50	San Francisco Bank	500,000.00	1%	30 Days
157	2-15-50	San Francisco Bank	1,000,000.00	1%	30 Days
160	4-26-50	San Francisco Bank	1,000,000.00	1%	30 Days
156	2-14-50	Wells Fargo Bank & Union Trust.....	4,000,000.00	1%	30 Days
Total			\$51,785,000.00		

All Deposit agreements covering inactive deposits were in compliance with Government Code Section 53643, which reads:

"Term deposits: Maximum term. The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

During the fiscal year, new form of agreements, California Banker's Association Form No. 41 for active deposits and Form No. 42 for inactive deposits, were substituted. The old form of agreements, now in use, will be discontinued upon renewal. Under the new form, the approval of securities by the City Attorney and the Treasurer will appear on the "Receipt for Collateral Securities" instead of the agreement.

In reconciling balances on bank statements with the Treasurer's records, it was noted that the following check drawn by the Treasurer on the Bank of America was outstanding at the date of the cash count:

Check No.	Date	Payee	Amount
32652	Dec. 20, 1944	Harry Ballard	\$50.00

According to the opinion of the City Attorney, dated December 1, 1949,

"... the legal obligation represented by the outstanding check in favor of Mr. Ballard may not be removed from the check register until such time as action may be taken pursuant to the provisions of Section 4087b of the Political Code to transfer the money to the general fund of the City and County of San Francisco — this is, until such money has remained unclaimed for a period of ten years."

U. S. Bonds (Bail Deposits) \$117,300.00

U. S. Bonds having a par value of \$117,300.00 representing deposits with the County Clerk and the Municipal Court as bail, agreed with the amount charged to the Treasurer by the Controller as indicated in the Controller's records. Of the above amount, Court Orders for the release of \$5,100.00 par value bonds, representing 24 deposits, were validated for payment by the Controller but not presented to the Treasurer for payment as at June 30, 1951.

Cash Items Received after June 30, 1951, applied to 1950-1951—\$323,016.26

This amount represents collections made by the various City and County Departments pertaining to transactions prior to the close of business June 30, 1951. The verification of the \$323,016.26 was included in a subsequent cash count dated July 31, 1951.

SECURITIES — \$211,148,600 PAR VALUE BONDS (Exhibit A)

Securities in the custody of the Treasurer were examined and verifications were made as hereinafter reported. All securities, except collateral securities deposited by banks, and discussed hereinafter, are held in the joint custody vault of the Treasurer and Controller. The total par value of securities for which the Treasurer was chargeable at June 30, 1951, is indicated in the following summary:

	Par Value	Controller's Book Value
Securities Held by the Treasurer		
Employees' Retirement Fund	\$ 94,760,450.00	\$95,199,701.61
Bequest and Trust Funds	376,000.00	377,289.38
Deposit on Leases	106,250.00	106,250.00
Collateral deposited by Banks	115,905,900.00	(1)
Total Bonds	\$211,148,600.00	\$95,683,240.99
Other Deposits		
Bequest Funds (Corporate Stock)	\$ 39.00	\$ 2,094.25
Deposit on Lease (Currency)	5,000.00	5,000.00
Total	5,039.00	7,094.25
Total accounted for by the Treasurer		
June 30, 1951	\$211,153,639.00	\$95,690,335.24

(1) These securities are not recorded on the Controller's books.

Employees' Retirement Fund—Par Value Bonds—\$94,760,450.00

Verification was made of bonds and coupons as at June 30, 1951, in conjunction with representatives of Joseph Froggatt & Company, Inc., engaged for this year's audit of the Employees' Retirement System. A detailed list of securities examined showing a total par value of \$94,760,450.00, is contained in work papers of this audit.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year of 1950-1951, were examined and checked by the Controller's Division of Accounts and Reports, and released to the Treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in memorandum dated August 8, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

Bonds in the par value of \$94,760,450.00, counted and examined as at June 30, 1951, were in agreement with the Controller's records and schedule submitted by the Secretary of the Employees' Retirement Board.

The employees' Retirement System's bond transactions for the fiscal year of 1950-1951, are summarized from the Controller's records, as follows:

	Par Value Bonds
Bonds on hand June 30, 1950, per prior annual audit report of the Treasurer's office	\$77,306,937.50
Add: Bonds purchased during 1950-1951	17,578,000.00
	\$94,884,937.50
Less: Bonds sold, called or matured during 1950-1951	124,487.50
Bonds on hand June 30, 1951	\$94,760,450.00

Bequest and Trust Funds—\$376,000.00 Par Value Bonds

Bonds having a total par value of \$376,000.00, together with unmatured interest coupons attached, were examined and verified in amount with balances reflected in the Controller's records. Except for the sale of a U. S. Treasury Bond, par value \$1,000.00, by the Phelan Bequest, and \$14,000.00 par value U. S. Treasury Bonds, Registered 2%, which were called and replaced by Non-Registered U. S. Treasury Bond, 1 1/4%, in the same amount for the Fuhrman Bequest, there were no other transactions affecting the bequest or trust funds during the fiscal year.

The collection of interest on bequest and trust fund investment bonds is verified currently by the Controller's Division of Accounts and Reports; this verification was not duplicated by this examination.

Deposits on Leases—\$106,250.00 Par Value Bonds

Security on various leases of City and County property is represented by U. S. Treasury bonds in the total par value of \$106,250.00. The bonds, held by the Treasurer in the joint custody vault, were examined and found to comply with the provisions of the respective leases.

Collateral Securities—\$115,905,900.00 Par Value Bonds

Collateral Securities are filed in the Treasurer's vault in metal boxes according to bank accounts which they represent. The \$115,905,900.00 represents the par value of bonds submitted by the several depositaries and held by the Treasurer as collateral, as authorized by Government Code Section 53651. All bonds and coupons attached thereto were examined and schedules thereof were confirmed direct to the Controller by the several depositaries.

All collateral bonds on hand, except as hereinafter mentioned, conform to the collateral requirements and approvals provided in Government Code Section 53655, for active deposits and Section 53656, for inactive deposits. Section 53657, reads in part as follows:

"The market value of the notes, bonds or registered warrants securing inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the notes, bonds, or registered warrants."

The market value of collateral and percentage of market values in excess of deposits are reflected on Exhibit A-1, of "The Detailed Report." It will be noted that Exhibit A-1 reflects in some accounts a small percentage of less than ten per cent of market value. In no case did the amount of the deposit exceed the par value of the bonds pledged.

The totals of individual bank balances and collateral securities as at June 30, 1951, compare as follows:

Bank Balances:

Treasurer's Bank Balance	\$100,349,894.19
Items in Transit	313,736.69

Balance as per bank confirmation	\$100,663,630.88
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Collateral Securities Deposited:

Par Value Bonds	\$115,905,900.00
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Market Value Bonds June 30, 1951	\$117,254,432.50
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Section 53643 of the Government Code reads:

"Term deposits: Maximum term. The treasurer may deposit any part of the money for a definite term agreed upon between him and the depositary. The term shall not exceed one year."

The inactive and active deposits as at June 30, 1951, were covered by agreements approved by the Treasurer. It will be noted that many of the deposit agreements have been in effect for more than one year. According to the City Attorney's Opinion dated Dec. 1, 1950, an annual renewal of agreements covering deposits by the Treasurer, is not necessary provided the same does not state a definite term deposit.

The eligibility of collateral deposited with the Treasurer to secure the active and inactive deposits as at June 30, 1951, was approved by the City Attorney, as required by Sections 53655 and 53656 of the Government Code.

Other deposits examined in the joint custody vault of the Treasurer, and verified against the Controller's records, consisted of \$5,000.00 in currency and corporate stock with a par value of \$39.00.

During the fiscal year, 60 shares of Pacific Telegraph & Telephone Company Common Stock, par value \$6,000.00, deposited as security by John H. Partridge, Lessee of Marshall Square property, was withdrawn and \$5,000.00 in currency was substituted.

The corporate stock is summarized as follows:

	Par Value	Controller's Book Value
August Brunetti Bequest	\$ 39.00	\$ 94.25
Llewella F. Lewis Bequest		2,000.00
Totals	\$ 39.00	\$2,094.25

Unsold City and County Bonds \$69,510,000.00

There were \$69,510,000.00 of unsold bonds as at June 30, 1951, from issues totaling \$187,690,000.00, authorized by the electorate in amounts and on dates indicated below. Transactions since the dates of authorization are summarized as follows:

	Total Authorized	Sold (Cancelled*)		Unsold June 30, 1951
		Prior to 1950-1951	During 1950-1951	
Authorized November 6, 1945				
Airport Bonds	\$ 20,000,000	\$18,890,000	\$ 1,110,000	\$
Authorized November 4, 1947				
Street Improvement	22,850,000	10,600,000	800,000	11,450,000
Municipal Ry. Rehab.	20,000,000	16,950,000	2,400,000	650,000
Hetch Hetchy Water	25,000,000	19,200,000	4,100,000	1,700,000
Market Street Ry. Refin. ..	2,200,000	1,950,000	250,000*	.....
Recreation	12,000,000	3,630,000	2,100,000	6,270,000
Off-Street Parking	5,000,000	.....	.....	5,000,000
Authorized June 1, 1948				
Juvenile Court and Detention Home	2,750,000	2,750,000	.....	.....
Sewage Treatment	15,000,000	10,550,000	.....	4,450,000
Authorized November 2, 1948				
School Bonds	48,890,000	7,000,000	10,000,000	31,890,000
Authorized November 8, 1949				
Airport	10,000,000	.....	5,900,000	4,100,000
Cherry Valley Dam	4,000,000	.....	.....	4,000,000
	<u>\$187,690,000</u>	<u>\$91,520,000</u>	<u>\$26,660,000</u>	<u>\$69,510,000</u>

*Market Street Railway Refinancing Bonds—1947, in the amount of \$250,000.00 were authorized for cancellation by Ordinance No. 6512, approved February 5, 1951.

Unsold bonds in the amount of \$69,510,000.00 shown above are reflected on the funding general ledger of the Controller, in Account 4785—Unsold Bonds—Face Value.

There were no unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds only when a sale has been authorized by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT — NEW YORK

Bill No. 1233, Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides for the rates of compensation of said fiscal agent.

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1951 were reviewed. Bonds and Coupons paid by the Fiscal Agent were verified in detail against the Controller's records and the amounts were confirmed direct to this office by the National City Bank of New York. Compensation of \$9,810.85 paid the National City Bank was verified as being properly computed, and consisted of:

	Par-Value	Compensation	
		Rate	Amount
Bonds	\$5,068,500.00	1/20 of 1%	\$2,534.25
Coupons (181,915)	2,692,010.00	4¢ each	7,276.60
Total	\$7,760,510.00		\$9,810.85

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 1, 1942. In addition, bonds were purchased for employees upon the deposit of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

In accordance with Controller's Departmental Instructions No. 343, dated June 15, 1950, United States Savings Bonds purchased by the Treasurer on Controller's warrants, for employees on the payroll allotment plan, are to be delivered by the Treasurer to authorized departmental representatives for distribution to employees. The total issue value of bonds purchased by the Treasurer for City and County employees during the fiscal year amounted to \$535,968.75, as compared with \$660,975.00 for 1949-1950. All bonds purchased were delivered to authorized departmental representatives, as evidenced by receipts on file.

The cash on hand with the Treasurer as at June 30, 1951, for the purchase of bonds for future delivery amounted to \$38,316.49.

The \$38,316.49 was in agreement with the Controller's General Ledger Cash Account No. 5000—Treasurer's Balance; and was reconciled with related appropriation account balances, by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES

Revenues and expenditures of the Treasurer's office for the fiscal year under review are compared with the preceding fiscal year as follows:

	1950-1951	1949-1950
Revenues (derived through the operation of the Treasurer's office)	\$551,277.71	\$473,355.53
Expenditures and Encumbrances (per Treasurer's appropriations)	100,398.29	92,051.59
Excess of Revenues over Expenditures	\$450,879.42	\$381,303.94

Revenues—\$551,277.71

Operating revenues collected by the Treasurer during the fiscal year 1950-1951, as compared with those of the preceding fiscal year, are summarized from the Controller's records as follows:

	1950-1951	1949-1950
Interest earned on inactive bank deposits (as hereinafter detailed)	\$522,315.22	\$448,161.15
Commissions on Inheritance Tax Collections	28,832.49	25,023.38
Duplicate "Inheritance Tax Receipt" fees	85.00	54.00
Conscience Money	45.00	117.00
	\$551,277.71	\$473,355.53

Interest Earned on Deposits — \$522, 315.22

With respect to the disposition of interest earned on Treasurer's inactive bank deposits, the following authority is quoted:

Government Code—Section 53647: Payment of interest into General Fund of the local agency:

"Interest on all money deposited belongs to and shall be paid quarterly into the general fund of, the local agency represented by the officer making the deposit, unless otherwise directed by law."

Charter—Section 82: Receipts, Custody and Deposit of Funds:

"All interest on moneys deposited shall accrue to the benefit of the City and County, except that interest derived from the deposit of any bond, utility, pension, trust or other funds created for a special purpose shall accrue to such fund. Public money, other than that of City and County, coming into the hands of the Treasurer shall be kept as provided by law."

The Annual Appropriation Ordinance of 1950-1951 estimates interest revenue of \$400,000.00 for the General Fund; \$10,000.00 for the San Francisco Water Operating Fund; and \$10,000.00 for the Municipal Railway Operating Fund.

Bank interest earned in the amount of \$522,315.22 on inactive deposits during the fiscal year was computed and verified in amount with deposits of interest as reflected by the Controller's records. The total of \$490,735.34, credited to the General Fund, is reflected in the following comparative summary of total interest earned on all funds.

Funds	1950-1951	1949-1950	Amount of Increase or Decrease*
General	\$490,735.34	\$418,525.77	\$72,209.57
Municipal Railway	15,046.45	13,935.35	1,111.10
Total Unapportioned Bank Interest.....	\$505,781.79	\$432,461.12	\$73,320.67
Water Operating	15,929.84	15,000.06	929.78
Islais Creek Reclam. Dist.	603.59	699.97	96.38*
Total Earnings for the Fiscal Year	<u>\$522,315.22</u>	<u>\$448,161.15</u>	<u>\$74,154.07</u>

The total unapportioned bank interest in the amount of \$505,781.79 was earned on various balances which were not specifically identified as to source of City and County funds, including the various types of funds enumerated above in Section 82 of the Charter. The \$505,781.79 was distributed to the General Fund and the Municipal Railway on a prorata of average quarterly balances, as computed by the Treasurer's office.

The credit of \$15,929.84 to Water Operating Fund was earned by two accounts maintained specifically in the name of the San Francisco Water Department, Anglo California National Bank for \$8,429.81, and the Bank of America for \$7,500.03.

The credit of \$603.59 to the Islais Creek Reclamation District was earned on a specific account for the district, maintained in the Bank of America.

The \$522,315.22 of interest received for 1950-1951, and the \$448,161.15 received for 1949-1950, was earned at the following rates:

Rates of Interest	1950-1951	1949-1950
1/2 of 1% .....	.....	\$ 1,767.13
3/4 of 1%	\$ 967.05	5,414.45
1%	390,590.01	384,729.54
1 1/8 %	28,356.18	56,250.03
1 1/4 %	102,392.98	.....
	<u>\$522,315.22</u>	<u>\$448,161.15</u>

All inactive balances at June 30, 1951, are covered by deposit agreements which call for interest at the rate of 1% or 1 1/4 %.

Inactive (subject to interest) and active (not subject to interest) account balances at June 30, 1951, are compared with the June 30, 1950 balances in the following tabulations:

	June 30, 1951		June 30, 1950	
	Balances	%	Balances	%
Inactive Accounts				
(Subject to interest).....	\$ 51,785,000.00	51.60%	\$ 46,545,000.00	45.69%
Active Accounts (Not				
subject to interest).....	48,564,894.19	48.40%	55,314,460.29	54.31%
Totals	\$100,349,894.19	100.00%	\$101,859,460.29	100.00%

Commissions on Inheritance Tax Collections—\$28,832.49

The California Inheritance Tax Act, (Revenue and Taxation Code Section 14797) reads in part as follows:

"The maximum Commissions that may be retained by the county treasurer out of the total inheritance taxes paid to and accounted for by him in any one calendar year is as follows:

(b) By county treasurer of a county of the second class, \$40,000.00.

Commissions of \$28,832.49 were retained by the Treasurer for the fiscal year 1950-1951, and credited to the General Fund of the City and County of San Francisco, as compared with commissions of \$25,023.38 for the preceding year.

The records maintained by the Treasurer for Inheritance Tax purposes require the use of State controlled pre-numbered forms, and are subject to periodic settlement, every two months, and a detailed audit thereof by the State Controller's office; therefore a detail audit of these accounts was not duplicated. However, Inheritance Tax Collections recorded on the Treasurer's records in the total amount of \$3,269,936.81 as hereinafter detailed, were verified against deposits shown on the Controller's records for the same period and the commissions of \$28,832.49 were confirmed directly with the State Controller.

The inheritance tax commissions of \$28,832.49, earned during the fiscal year 1950-1951, were summarized by settlements and reconciled with Treasurer's records as follows:

Period of	Total Collections	Distribution				Amount due the State
		Refunds	Appraiser's Fees	Commissions		
June-July, 1950..	\$ 381,686.78	\$ 88,414.27	\$ 2,482.54	\$ 3,804.82	\$	286,985.15
Aug.-Sep., 1950..	361,766.84	4,541.87	3,437.12	3,609.57		350,178.28
Oct.-Nov., 1950..	1,287,985.38	12,966.24	2,543.97	6,174.05		1,266,301.12
Dec.-Jan., 1951..	238,607.16	31,727.60	2,464.81	6,231.37		198,183.38
Feb.-Mar., 1951..	518,965.74	11,025.24	3,352.69	5,215.39		499,372.42
Apr.-May, 1951..	433,298.17	8,352.96	2,501.92	3,797.29		418,646.00
Treasurer's						
Totals	\$3,222,310.07	\$157,028.18	\$16,783.05	\$28,832.49		\$3,019,666.35
Add:						
June, 1951....	268,027.29					
	3,490,337.36					
Deduct:						
June, 1950....	220,400.55					
Controller's Gen.						
Ledger June 30,						
1951	\$3,269,936.81					

Duplicate "Inheritance Tax Receipts" Fees \$85.00

A fifty-cent fee is charged by the Treasurer for issuing duplicate receipts for inheritance tax as prescribed by Section 14144 of the Revenue and Taxation Code. The collection and deposit of this fee is subject to the Controller's prescribed revenue procedure, and is currently audited by the Controller's General Office. Deposit of fees to the General Fund was verified against the Controller's records.

Conscience Money—\$45.00

This amount represents remittances deposited on May 10, 1951, with the Treasurer as conscience money from unidentified sources.

Expenditures and Encumbrances—\$100,398.29

Expenditures and encumbrances, from appropriations to the Treasurer's office for the fiscal year 1950-1951, and totaling \$100,398.29, are summarized from the Controller's records as follows:

<u>Appropriations Direct to Department</u>	<u>Budgeted Appropriations 1950-1951</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$ 88,571.00	\$ 80,343.87	\$ 79,974.32
Leaves and Replacements .....	.....	790.90	772.71
Overtime	500.00	500.00	479.73
Contractual Service	16,855.00	2,155.00	1,809.67
New York—Fiscal Agent .....	.....	14,700.00	14,700.00
Use of Employees' Cars	200.00	200.00	174.97
Materials and Supplies	1,900.00	1,900.00	1,744.46
Equipment	620.00	620.00	618.17
Appropriated to the Department through the Purchaser of Supplies			
Telephone & Telegraph	175.00	175.00	124.26
Total	<u>\$108,821.00</u>	<u>\$101,384.77</u>	<u>\$100,398.29</u>

Exhibit "B" of "The Detailed Report" reflects a comparison of revenues and appropriation expenditures and encumbrances of the Treasurer's office for the fiscal year 1950-1951, and prior years.

Permanent Salaries—\$79,974.32

The 1950-1951 Salary Ordinance, File No. 5150, Ordinance No. 6105, Section 8, provides for 19 permanent employments in the Treasurer's office at rates prescribed therein on a forty hour week basis, as compared with 18 permanent employees budgeted for 1949-1950.

A review of the department's time roll for the payroll period ended June 30, 1951, indicated that employments thereon did not exceed the number and amount for each classification as provided by the Annual Salary Ordinance.

New York—Fiscal Agent \$14,700.00

Compensation earned by the Fiscal Agent, National City Bank of New York in the total amount of \$9,810.85 for 1950-1951, as heretofore detailed was computed in accordance with Bill No. 1233, Ordinance No. 1184, approved May 20, 1941. Settlements with the Fiscal Agent are made quarterly. During the first three quarters compensation paid amounted to \$8,970.83. The amount of \$5,729.17 was encumbered to provide for the last quarter, of which \$840.02 was earned and paid by Controller's Warrant No. 8565 of August 30, 1951.

Other Expenditures and Encumbrances \$5,723.97

Expenditures and Encumbrances from other appropriations, in the total of \$5,723.97 detailed above, for current operations of the Treasurer's office during the fiscal year 1950-1951, were audited currently by the Controller's General office, and such audit was not duplicated in this examination.

Test check indicated that the purchasing procedure followed was in conformity with Bill No. 76, Ordinance No. 9.8061 (Codified as Sections 103 to 124 inclusive, Part 1 of the Municipal Code).

SURETY BONDS AND INSURANCE

Surety Bonds and Insurance in force during the fiscal year were examined, and are reflected in Exhibit E of "The Detailed Report." No exceptions were noted.

COMMENT

The records maintained in the Treasurer's Office appear to be in order and systematically arranged to furnish the information required for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during the examination is acknowledged.

Respectfully submitted,

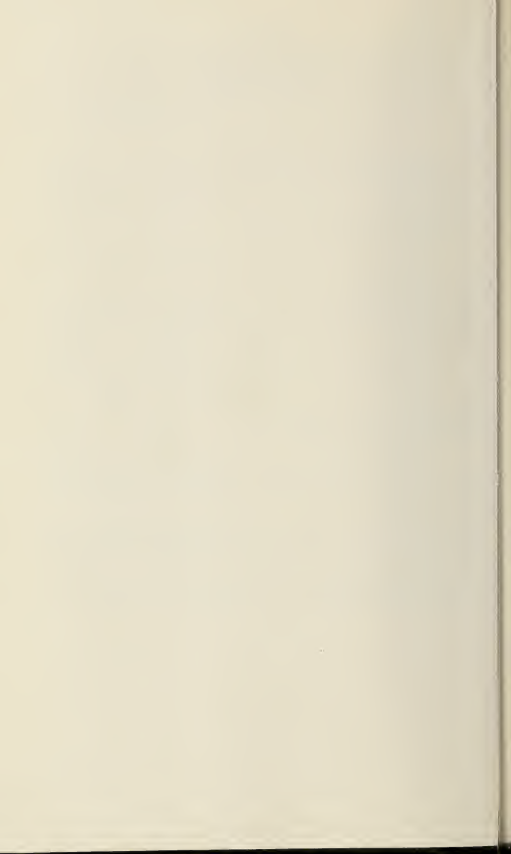
General Audit Division

Martin W. Judnich

B14—Senior Accountant (Field Audits)

EXHIBIT A
TREASURER'S OFFICE
SUMMARY OF CASH, SECURITIES AND
OTHER DEPOSITS

	As at June 30	
	1951	1950
Cash:		
On deposit in treasury	\$ 866,476.00	\$ 600,925.02
On deposit in banks	100,349,894.19	101,859,460.29
Available cash	101,216,370.19	102,460,385.31
U. S. Bonds (Par Value)	117,300.00	102,450.00
Cash received after June 30, and applied to fiscal year under review	323,016.26	309,110.57
Total Cash	\$101,656,686.45	\$102,871,945.88
Securities (Par Value Bonds)		
Collateral from banks	\$115,905,900.00	\$114,343,000.00
Employees' Retirement Fund	94,760,450.00	77,306,937.50
Bequest Funds	361,000.00	362,000.00
Trust Funds	15,000.00	15,000.00
Deposits on Leases	106,250.00	106,250.00
Total Securities	\$211,148,600.00	\$192,133,187.50
Other Deposits		
Bequest Funds (Corporate Stock)	39.00	39.00
Deposit on Lease	5,000.00	6,000.00
Total Other Deposits	5,039.00	6,039.00
Total Cash, Securities and Other Deposits	\$312,810,325.45	\$295,011,172.38
Treasurer's Liability For:		
Cash	\$101,656,686.45	\$102,871,945.88
Securities (Par Value)	211,148,600.00	192,133,187.50
Other Deposits	5,039.00	6,039.00
Total Treasurer's Liability for Cash, Securities and Other Deposits	\$312,810,325.45	\$295,011,172.38



San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1951

John F. Forbes and Company

Certified Public Accountants

CROCKER BUILDING, SAN FRANCISCO 4, CALIFORNIA

October 1, 1951

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated May 16, 1951, we have examined the consolidated balance sheet of the San Francisco Water Department and Hetch Hetchy Project as of June 30, 1951, and the related consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the consolidated financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1951, and the consolidated results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except that as of July 1, 1950, the accounts of the Hetch Hetchy Water Supply Project and Hetch Hetchy Power Project were consolidated and a new chart of accounts was adopted to conform with the Uniform System of Accounts of the Federal Power Commission. These changes do not affect the amount of net income reported or the financial position of the Hetch Hetchy Project.

Our report, program, and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

We present the following exhibits and schedules:

Exhibit

A—Balance Sheets, June 30, 1951, and Consolidation.

B—Statements of Income for the Year Ended June 30, 1951, and Consolidation.

Schedule

1—San Francisco Water Department — Statement of Operating Expenses.

2—Hetch Hetchy Project — Statement of Operating Expenses.

C—Statements of Surplus for the Year Ended June 30, 1951, and Consolidation.

D—Statements of Surplus Cumulative to June 30, 1951, and Consolidation.

In addition we submit the following comments:

OPERATIONS

NET INCOME

A condensed statement of consolidated net income for the year ended June 30, 1951, is set forth below:

Operating revenues:

Water sales	\$10,798,833.90
Power sales	3,439,372.12

Total operating revenues	\$14,238,206.02
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Operating expenses, including depreciation	7,259,226.27
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Operating income	\$ 6,978,979.75
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Other income—Net	221,548.36
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Total	\$ 7,200,528.11
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Bond interest	2,947,265.12
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Net income	<u>\$ 4,253,262.99</u>
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WATER SALES

The following statistics taken from data maintained by the Water Department reflect the expansion of facilities and service which have occurred during the last five years:

	June 30,				
	1951	1950	1949	1948	1947
Number of active accounts:					
San Francisco district	146,326	144,279	142,497	140,423	136,865
Suburban districts	755	801	724	720	729
Total	147,081	145,080	143,221	141,143	137,594
	Year Ended June 30,				
	1951	1950	1949	1948	1947
Metered deliveries (million cubic feet):					
San Francisco district	3,418.6	3,351.7	3,451.7	3,433.4	3,479.2
Suburban districts, including free deliveries under riparian contracts	1,395.2	1,267.6	1,213.8	1,070.2	985.3
Total	4,813.8	4,619.3	4,665.5	4,503.6	4,464.5

On February 1, 1951, rates were increased on water used by any one consumer in excess of 333,300 cubic feet per month. The Water Department has computed the resulting increase in revenue to June 30, 1951, to be \$228,340.00.

POWER SALES

Revenue from power sales is summarized as follows:

Permanente Cement Company	\$ 813,499.91
Kaiser Aluminum & Chemical Corporation	224,200.21
Modesto and Turlock Irrigation Districts	373,509.60
Pacific Gas and Electric Company	211,941.47
City and County of San Francisco:	
Municipal Railway	642,757.35
Street lighting	413,796.83
Other municipal departments	749,234.78
Miscellaneous	10,431.97
Total	\$3,439,372.12

Power is sold to Permanente Cement Company and Kaiser Aluminum & Chemical Corporation under agreements with Pacific Gas and Electric Company which assigned its contracts with these consumers to the Public Utilities Commission of the City and County of San Francisco. The agreements which expire March 11, 1954, provide that Hetch Hetchy energy be delivered from Newark on transmission lines and facilities leased from Pacific Gas and Electric Company.

Sales to the Pacific Gas and Electric Company result from an agreement under which that company undertakes to supply supplementary energy required by the customers of the City as well as the City itself which is in excess of the capacity of the City's plants and, in turn, to receive energy which is in excess of the requirements of the City and its customers.

Another agreement with the Pacific Gas and Electric Company provides for the delivery of Hetch Hetchy energy required for municipal purposes from Newark to the consuming departments.

The City Attorney had advised us that these various agreements conform to the requirements of the Raker Act under which the City is prohibited from letting or selling the right to resell water and power sold by it to any corporation or person other than municipalities or irrigation districts.

GENERAL

Section 64 of the Charter of the City and County of San Francisco requires accounts of municipally owned utilities to show estimates of the amount of taxes for which the utilities would be liable if privately owned. In token of compliance with this provision, the value of water delivered without charge to certain municipal departments, amounting to \$603,910.23 for the year ended June 30, 1951, is recorded in memorandum accounts as revenue with a contra charge to municipal tax expense and has been excluded from the attached Exhibit B. It has been estimated, however, that property taxes within San Francisco for that year would not be less than \$900,000.00.

Under private ownership, these departments would also be liable for additional property taxes outside of San Francisco, Federal and California taxes based on income, municipal purchase and use taxes, and possibly city franchise taxes or license fees.

Upon completion of the Hetch Hetchy Project, under the provisions of Section 122 of the Charter it is to be merged with the Water Department. In the opinion of the City Attorney, the Hetch Hetchy Project had not been completed at June 30, 1951.

FINANCIAL POSITION

The consolidated financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1951, is presented in Exhibit A and summarized below:

Assets

Property	\$149,532,966.02
Cash	16,093,907.45
Accounts receivable	1,199,542.16
Interfund accounts receivable	150,532.56
Deferred charges	7,056,889.66
Total	\$174,033,837.85

Liabilities

Bonded debt	\$ 82,315,000.00
Bond interest payable	1,446,271.01
Accounts payable and commitments	7,798,830.88
Consumers' deposits and construction advances.....	210,863.17
Interfund accounts payable	470,784.53
Reserves	157,316.12
Deferred credits	25,979.01
Surplus	81,608,793.13
Total	\$174,033,837.85

Reference is made to items appearing above in the following comments:

PROPERTY — \$149,532,966.02

Changes in property and reserve for depreciation accounts during the year are summarized as follows:

	Property	Reserve for Depreciation	Net Book Value
Property in service:			
Balance, June 30, 1950.....	\$193,063,143.39	\$54,446,479.86	\$138,616,663.53
Additions (*net deduction)	1,049,927.91	2,818,726.73	1,768,798.82*
Total	\$194,113,071.30	\$57,265,206.59	\$136,847,864.71
Deductions—Sales, retirements, etc	465,275.87	233,003.86	232,272.01
Balance, June 30, 1951	\$193,647,795.43	\$57,032,202.73	\$136,615,592.70
Property under construction:			
Balance, June 30, 1950	\$ 3,736,191.79		\$ 3,736,191.79
Additions	9,539,013.40		9,539,013.40
Total	\$ 13,275,205.19		\$ 13,275,205.19
Deductions—Construction completed and transferred to property in service	769,456.87		769,456.87
Balance, June 30, 1951	\$ 12,505,748.32		\$ 12,505,748.32
Nonoperative—Balance, June 30, 1950 and 1951	\$ 411,625.00		\$ 411,625.00
Total.....	\$206,565,168.75	\$57,032,202.73	\$149,532,966.02

Additions to property in service are briefly summarized as follows:

Water Department:	
Additions to city pipe system	\$ 526,561.10
Land purchases	150,495.68
Lime treatment plant	89,069.45
Other	82,366.71
Total Water Department	\$ 848,492.94
Hetch Hetchy Project:	
Improvements to Moccasin generators and transformers	\$ 100,481.12
Tesla Portal Chlorination Station	20,139.07
Other	80,814.78
Total Hetch Hetchy Project	\$ 201,434.97
Total	\$1,049,927.91

Sales, retirements, etc. are as follows:

Water Department:	
Land	\$ 165,877.41
Other	55,843.32
Total Water Department	\$ 221,720.73
Hetch Hetchy Project:	
Moccasin generator parts	\$ 100,000.00
Five-inch pipe—West Portal to Oakdale Portal	71,375.65
Appraisal adjustment	44,978.93
Pumps transferred to Water Department	24,521.00
Other	2,679.56
Total Hetch Hetchy Project	\$ 243,555.14
Total	\$ 465,275.87

Construction in progress at June 30, 1951, is shown below:

Water Department:

Sutro Reservoir	\$ 530,895.70
Bay Division Pipeline No. 3	318,863.31
Guadalupe Bypass	133,200.56
City pipe system	74,464.74
Lake Merced pumps	66,809.52
Other	60,801.23
Total Water Department	<u>\$1,185,035.06</u>

Hetch Hetchy Project:

1947 Hetch Hetchy Bond Fund:

Bay Division Pipeline No. 3	\$8,144,026.58	
San Joaquin Pipeline No. 2	2,018,860.67	
Sunset Supply Line	42,246.79	
Interest during construction	487,914.43	\$10,693,048.47
Cherry Valley Dam.....		359,987.11
Access roads.....		115,330.10
Housing facilities.....		97,104.12
Radio installation.....		49,900.43
Other.....		5,343.03
Total Hetch Hetchy Project		<u>\$11,320,713.26</u>
Total		<u>\$12,505,748.32</u>

Nonoperative property in the amount of \$411,625.00 consisted of the Amazon and Glen Park reservoir sites.

Section 128 of the Charter provides that during the fiscal year 1937-38 and at least every five years thereafter, the Public Utilities Commission shall make an appraisal and redetermine the amount of the reasonable annual depreciation for each utility. The appraisal of the Hetch Hetchy Project as of June 30, 1948, was completed and the resulting adjustments to the accounts were recorded during the year ended June 30, 1951. These adjustments, which include entries affecting depreciation recorded for the years ended June 30, 1949 and 1950, resulted in a net decrease of \$44,978.93 in property in service and a net increase of \$131,589.50 in reserve for depreciation. After giving effect to appraisal adjustments increasing various deferred charges in the amount of \$32,732.39, the net decrease in surplus from appraisal adjustments amounted to \$143,836.04.

The utilities audit staff of the Controller is engaged in analyzing the property accounts of the Water Department in connection with an appraisal as of June 30, 1948. No adjustments resulting therefrom are reflected in this report.

Changes in the property and reserve for depreciation accounts were comprehensively reviewed by us.

CASH — \$16,093,907.45

ON DEPOSIT WITH TREASURER—

\$16,049,831.09

Cash in the custody of the Treasurer of the City and County of San Francisco is detailed by funds as follows:

Water Department:

Operating fund	\$ 772,990.75
Reconstruction and replacement fund	369,514.02
Extension reserve fund	1,974,496.56
Water works system bond fund, 1942	1,202,074.40
Bond interest fund, 1928 issue	460,755.00
Bond redemption fund, 1928 issue	1,028,000.00
Bond interest fund, 1933 issue	1,020.00
Real property fund	59,085.67
Total Water Department	<u>\$5,867,936.40</u>

Hetch Hetchy Project:

Operating fund	\$ 957,340.90
Reconstruction and replacement fund	511,512.02
Bond fund, 1932 issue	26,340.24
Bond fund, 1947 issue	5,420,858.25
Bond fund, 1949 issue	1,764,009.78
Bond interest fund	481,937.50
Bond redemption fund	1,017,000.00
Real property fund	2,896.00
Total Hetch Hetchy Project	<u>\$10,181,894.69</u>

Total

\$16,049,831.09

The above balances were confirmed to us by other certified public accountants who examined the accounts of the Controller of the City and County of San Francisco.

REVOLVING FUNDS — \$34,000.00

This account is comprised as follows:

	Total	Water Department	Hetch Hetchy Project
Cash in banks	\$21,528.50	\$18,876.93	\$2,651.57
Change and petty cash funds	3,910.00	3,675.00	235.00
Disbursements awaiting reimbursement	8,561.50	7,448.07	1,113.43
Total	<u>\$34,000.00</u>	<u>\$30,000.00</u>	<u>\$4,000.00</u>

Cash in banks was verified by direct communication with the depositories. Petty cash and change funds were counted or confirmed by certificates obtained from the custodians. Disbursements awaiting reimbursement at June 30, 1951, were subsequently refunded to the custodians of the various funds.

ACCOUNTS RECEIVABLE — \$1,199,542.16

The composition of this account is as follows:

	Total	Water Department	Hetch Hetchy Project
Consumers	\$1,127,201.69	\$ 984,882.22	\$142,319.47
Less reserve for doubtful accounts..	4,000.00	4,000.00	
Remainder	\$1,123,201.69	\$ 980,882.22	\$142,319.47
Other accounts receivable	76,340.47	71,610.94	4,729.53
Total	\$1,199,542.16	\$1,052,493.16	\$147,049.00

We requested confirmation from a representative group of consumers of the balances owing by them at June 30, 1951. Differences reported were minor and have been adjusted.

Changes in the reserve for doubtful accounts during the year were as follows:

Balance, June 30, 1950	\$4,000.00
Provision for doubtful accounts	3,119.13
Collection of accounts previously written off	312.54
Total	\$7,431.67
Less accounts charged off as uncollectible	3,431.67
Balance, June 30, 1951	\$4,000.00

Other accounts receivable consist principally of rents receivable, unbilled charges to consumers for service installations, etc.

INTERFUND ACCOUNTS RECEIVABLE — \$150,532.56

This account is summarized as follows:

Other Public Service Enterprises:

Water Department:

Hetch Hetchy Project	\$ 153.42
Public Utilities Commission	552.15
Municipal Railway	197.63
Airport	1,061.64

Total Water Department \$ 1,964.84

Hetch Hetchy Project:

Water Department	\$ 86,622.17
Public Utilities Commission	146,621.03

Total Hetch Hetchy Project 233,243.20

Total \$235,208.04

Eliminate accounts between Water Department and Hetch Hetchy Project

86,775.59

Consolidated total—Other Public Service Enterprises \$148,432.45

General City and County:

Water Department—Department of Public Works	\$ 1,722.63	
Hetch Hetchy Project — Recreation and Park Department	377.48	
Total—General City and County		2,100.11
Total		<u>\$150,532.56</u>

The amounts due from other municipal departments were confirmed to us by other certified public accountants engaged in an examination of the records of the Controller's office.

DEFERRED CHARGES — \$7,056,889.66

MATERIALS AND SUPPLIES — \$703,058.56

The book inventory at May 25, 1951, of Water Department materials and supplies was increased in the amount of \$2,339.02 to reflect the inventory shown by stock card records. A physical inventory of the materials and supplies of the Hetch Hetchy Project was taken as of May 31, 1951.

We tested the mathematical accuracy and pricing of the various inventories and made physical tests of quantities.

WORK IN PROGRESS — \$221,869.84

Work in progress consists of the following:

Work being done for other municipal departments by:

Water Department	\$ 6,923.05	
Hetch Hetchy Project	180,636.92	\$187,559.97
Retirement and repair work		34,309.87
Total		<u>\$221,869.84</u>

COMMITMENTS — \$6,013,846.20

These commitments represent contracts, purchase orders, work orders, and other evidence of encumbrance for which related goods and services has not been received at June 30, 1951. The contra liability is shown under the caption "Accounts Payable and Commitments."

DEPOSITS — RIGHTS OF WAY — \$85,249.00

These amounts are deposited with various county clerks in connection with condemnation actions as follows:

Bay Division Pipeline No. 3:		
San Mateo County		\$39,664.00
Santa Clara County		32,935.00
Sunset Supply Line — San Mateo County		12,650.00
Total		<u>\$85,249.00</u>

We verified the deposits by direct communication with the respective county clerks.

BONDED DEBT — \$82,315,000.00

The bonded debt consists of the following:

Issue	Total	Matured Bonds Not Presented for Payment	Due Within One Year	Due After June 30, 1952
Water Department:				
1928, 4½%	\$20,028,000	\$28,000	\$1,000,000	\$19,000,000
1933, 4%	1,683,000		563,000	1,120,000
Total—Water Department	\$21,711,000	\$28,000	\$1,563,000	\$20,120,000
Hetch Hetchy Project:				
1910, 4½%	\$14,001,000	\$ 1,000	\$1,000,000	\$13,000,000
1925, 5%	4,500,000		250,000	4,250,000
1928, 4½%	16,205,000	5,000	600,000	15,600,000
1932, 5¾%	2,139,000	11,000	169,000	1,959,000
1932, 5%	1,152,000			1,152,000
1932, 4%	260,000		13,000	247,000
1932, 3%	146,000		8,000	138,000
1932, 2¾%	214,000		10,000	204,000
1933, 4%	525,000		175,000	350,000
1947, Series A, 2½%	3,750,000			3,750,000
1947, Series A, 2%	1,500,000			1,500,000
1947, Series A, 1¾%	1,125,000		375,000	750,000
1947, Series B, 1½%	800,000			800,000
1947, Series B, 1¼%	250,000		250,000	
1947, Series C, 1¼%	1,650,000		100,000	1,550,000
1947, Series D, 6%	639,000		213,000	426,000
1947, Series D, 1½%	2,085,000			2,085,000
1947, Series D, 1¼%	3,475,000			3,475,000
1947, Series D, 1%	2,088,000			2,088,000
1947, Series E, 1½%	1,958,000		106,000	1,852,000
1947, Series E, 1¼%	2,142,000			2,142,000
Total Hetch Hetchy Project	\$60,604,000	\$17,000	\$3,269,000	\$57,318,000
Total	\$82,315,000	\$45,000	\$4,832,000	\$77,438,000

During the year ended June 30, 1951, Water Department bonds of the principal amount of \$1,563,000.00 and Hetch Hetchy Project bonds in the principal amount of \$3,113,000.00 matured. All matured bonds were redeemed except for bonds of the principal amount of \$17,000.00 which were not presented for payment.

1947 Hetch Hetchy bonds, Series E, of a principal amount of \$4,100,000.00 were sold during the year, leaving a balance of \$1,700,000.00 authorized but unsold bonds of the original \$25,000,000.00 1947 Hetch Hetchy bond authorization.

In the election of November 8, 1949, the electorate approved the incurring of a \$4,000,000.00 bonded indebtedness for the construction of Cherry Valley Dam. No bonds had been sold for this purpose prior to June 30, 1951.

BOND INTEREST PAYABLE — \$1,446,271.01

Interest due on bonded indebtedness is summarized as follows:

Issue	Total	Matured Coupons Not Presented For Payment	Due July 1, 1951	Accrued, Due After July 1, 1951
Water Department:				
1928, 4½%	\$ 460,755.00	\$10,755.00	\$ 450,000.00	
1933, 4%	6,630.00	1,020.00		\$ 5,610.00
Total Water Department	\$ 467,385.00	\$11,775.00	\$ 450,000.00	\$ 5,610.00
Hetch Hetchy Project:				
1910, 4½%	\$ 335,947.50	\$20,947.50	\$ 315,000.00	
1925, 5%	115,825.00	3,325.00	112,500.00	
1928, 4½%	378,652.50	14,152.50	364,500.00	
1932, 5¾%	14,164.16	3,967.50		\$ 10,196.66
1932, 5%	10,825.00	6,025.00		4,800.00
1932, 4½%	22.50	22.50		
1932, 4%	2,986.66	2,120.00		866.66
1932, 3%	635.00	270.00		365.00
1932, 2¾%	792.90	302.50		490.40
1933, 4%	1,930.00	180.00		1,750.00
1947, Series A, 2½% ..	40,387.50	1,325.00		39,062.50
1947, Series A, 2%	12,650.00	150.00		12,500.00
1947, Series A, 1¾% ..	8,290.62	87.50		8,203.12
1947, Series B, 1½% ..	5,000.00			5,000.00
1947, Series B, 1¼% ..	1,302.08			1,302.08
1947, Series C, 1¼% ..	6,875.00			6,875.00
1947, Series D, 6%	6,390.00			6,390.00
1947, Series D, 1½% ..	5,212.50			5,212.50
1947, Series D, 1¼% ..	7,364.59	125.00		7,239.59
1947, Series D, 1%	4,780.00	1,300.00		3,480.00
1947, Series E, 1½% ..	9,865.00	75.00		9,790.00
1947, Series E, 1¼% ..	8,987.50	62.50		8,925.00
Total Hetch Hetchy Project	\$ 978,886.01	\$54,437.50	\$ 792,000.00	\$132,448.51
Total	\$1,446,271.01	\$66,212.50	\$1,242,000.00	\$138,058.51

We confirmed the amounts of bonded indebtedness and bond interest payable by communication with other certified public accountants engaged in examination of the Controller's accounts.

ACCOUNTS PAYABLE AND COMMITMENTS — \$7,798,830.88

The following balances are included under the above caption:

Warrants outstanding and pay roll deductions payable	\$ 340,502.55
Accounts payable — Materials and service	885,981.25
Commitments (contra)	6,013,846.20
Accrued rent due United States Government under Raker Act	15,000.00
Contract retentions	543,500.88
Total	\$7,798,830.88

Warrants outstanding and payroll deductions payable were found to be in agreement with records of the Controller's office. The above-listed amounts do not include contingent liabilities which are commented on hereinafter.

CONSUMERS' DEPOSITS AND CONSTRUCTION ADVANCES — \$210,863.17

This Water Department account is comprised as follows:

Consumers' guarantee deposits	\$ 46,026.75
Construction advances per books	\$145,009.42
Less amounts due other city departments, grouped for balance sheet presentation with interfund accounts payable	5,651.13
Custom work advances	25,478.13
Total	\$210,863.17

Construction advances are refundable if compliance is made with Water Department regulations governing installation of services. Custom work advances are applied against the cost of work performed and any remaining portion is refundable.

During the year under review, inactive guarantee deposits and construction advances over ten years old were written off in the respective amounts of \$296.11 and \$84.42 and credited to surplus.

INTERFUND ACCOUNTS PAYABLE — \$470,784.53

Interfund accounts payable are as follows:

Other Public Service Enterprises:

Water Department:

Hetch Hetchy Project	\$ 86,622.17
Public Utilities Commission	43,940.96
Total Water Department	\$130,563.13

Hetch Hetchy Project:

Water Department	\$ 153.42
Municipal Railway	4,317.61
Airport	243.79
Public Utilities Commission	604.58
Total Hetch Hetchy Project	5,319.40

Total **\$135,882.53**

Eliminate accounts between Water Department and Hetch Hetchy Project

86,775.59

Consolidated total—Other Public Service Enterprises **\$ 49,106.94**

General City and County:

Water Department:

Employees' Retirement System	\$ 22,858.06
Purchasing Department	70.02
Real Estate Department	37.63

Construction advances:

Department of Public Works	\$4,988.98
San Francisco Unified School District	662.15
	5,651.13

Total Water Department **\$ 28,616.84**

(Forward)

(Brought Forward)

Hetch Hetchy Project:

Cash Reserve	\$375,000.00
Employees' Retirement System	12,254.54
Real Estate Department	1,670.09
Controller	4,000.00
Purchasing Department	136.12

Total Hetch Hetchy Project \$393,060.75

Total—General City and County 421,677.59

Total \$470,784.53

With the exception of minor amounts not classified by the Controller as inter-fund accounts, all balances were confirmed to us by other certified public accountants engaged in an examination of the records of the Controller's office.

RESERVES — \$157,316.12

WORKMEN'S COMPENSATION INSURANCE — \$107,522.74

The following summary shows the changes in the reserves for workmen's compensation insurance during the year ended June 30, 1951:

	Total	Water Department	Hetch Hetchy Project
Balance, June 30, 1950	\$ 89,483.82	\$81,718.27	\$ 7,765.55
Provision for the year	29,795.99	14,996.02	14,799.97
Total	<u>\$119,279.81</u>	<u>\$96,714.29</u>	<u>\$22,565.52</u>
Less charges by the Retirement System for compensation and hospitalization	11,757.07	7,473.45	4,283.62
Balance, June 30, 1951	<u>\$107,522.74</u>	<u>\$89,240.84</u>	<u>\$18,281.90</u>

OTHER — \$49,793.38

These are summarized as follows:

Water Department — Reserve for overhead..... \$41,896.63

Hetch Hetchy Project:

Reserve for vacations	\$2,305.57	
Reserve for sick leave	5,591.18	7,896.75
Total		<u>\$49,793.38</u>

Water Department reserve for overhead includes reserves for vacations, sick leave, and maintenance expenditures.

DEFERRED CREDITS — \$25,979.01

PROPERTY IN SERVICE — 1947

HETCH HETCHY WATER BOND FUND

This Water Department account, which has been eliminated upon consolidation with the Hetch Hetchy Project, consists of the following:

Sunset Supply Line	\$359,324.12
Booster Pump, Crystal Springs Reservoir	142,102.63
Automobiles	21,682.74
Total	<u>\$523,109.49</u>

The above assets are also included in the accounts of the 1947 Hetch Hetchy Water Bond Fund which have been consolidated with the accounts of the Hetch Hetchy Project for the purposes of this report. Upon completion of the projects to be paid for with 1947 Hetch Hetchy Water Bond funds, it is expected that the present separate accounting for these funds will be merged with Hetch Hetchy Project and Water Department accounting records.

UNAMORTIZED BOND PREMIUMS — \$14,974.87

This account represents the excess of the cash proceeds over the face amount of the 1947 Hetch Hetchy bonds sold, less \$7,663.46 credited to interest during construction.

OTHER — \$11,004.14

These deferred credits are as follows:

Checks on revolving funds not presented for payment within sixty days of issue	\$ 4,656.16
Rental deposits and payments made in advance	6,324.24
Sundry	23.74
Total	<u>\$ 11,004.14</u>

GENERAL

We were advised by the City Attorney of lawsuits pending against the Water Department and Hetch Hetchy Project as of June 30, 1951, involving contingent liabilities as follows:

Water Department:

Personal injury (2 cases)	\$115,000.00
Use of water (2 cases)	5,982.35
Pipeline installation damage (1 case)	28,000.00
Total Water Department	<u>\$148,982.35</u>

Hetch Hetchy Project:

Damage to wells and springs (14 cases)	\$ 41,600.00
Fire in vicinity of power line (4 cases)	5,204.95
Total Hetch Hetchy Project	<u>\$ 46,804.95</u>
Total	<u>\$195,787.30</u>

No liability for any of the above suits has been included in the accompanying balance sheet.

Yours truly,

JOHN F. FORBES & COMPANY.

EXHIBIT A
SAN FRANCISCO WATER DEPARTMENT
HETCH HETCHY PROJECT
BALANCE SHEETS, JUNE 30, 1951, AND CONSOLIDATION

ASSETS				LIABILITIES			
San Francisco		Hetch Hetchy Project		San Francisco		Hetch Hetchy Project	
Consolidation	Eliminations	Department	Project	Consolidation	Eliminations	Department	Project
PROPERTY:				PROPERTY:			
In service—Operated by San Francisco Water Department				In service—Operated by San Francisco Water Department			
\$193,647,795.43		\$523,109.49		\$193,647,795.43		\$523,109.49	
Total		\$523,109.49		Total		\$523,109.49	
Less reserve for depreciation		57,032,202.73		Less reserve for depreciation		57,032,202.73	
Remainder—Net book value		\$136,615,592.70		Remainder—Net book value		\$136,615,592.70	
Under construction		12,505,748.32		Under construction		411,625.00	
Nonoperative				Nonoperative			
Total property		\$149,532,966.02		Total property		\$149,532,966.02	
CASH:				CASH:			
On deposit with Treasurer				On deposit with Treasurer			
\$16,049,831.09		10,076.36		\$16,049,831.09		10,076.36	
In transit		34,000.00		In transit		30,000.00	
Revolving funds				Revolving funds			
Total cash		\$16,093,907.45		Total cash		\$16,093,907.45	
ACCOUNTS RECEIVABLE				ACCOUNTS RECEIVABLE			
\$1,199,542.16		\$1,052,493.16		\$1,199,542.16		\$1,052,493.16	
(Other public service enterprises—General City and County)		148,432.45		(Other public service enterprises—General City and County)		148,432.45	
Total interfund accounts receivable		\$150,532.56		Total interfund accounts receivable		\$150,532.56	
DEFERRED CHARGES:				DEFERRED CHARGES:			
Materials and supplies				Materials and supplies			
\$703,058.56		\$33,660.76		\$703,058.56		\$33,660.76	
Preliminary investigations and surveys		24,665.03		Preliminary investigations and surveys		24,665.03	
Work in progress		221,869.84		Work in progress		221,869.84	
Commitments (contra)		6,013,846.20		Commitments (contra)		6,013,846.20	
Deposits—Rights of way		85,249.00		Deposits—Rights of way		85,249.00	
(Other)		8,201.03		(Other)		8,201.03	
Total deferred charges		\$7,056,889.66		Total deferred charges		\$7,056,889.66	
INTERFUND ACCOUNTS RECEIVABLE:				INTERFUND ACCOUNTS RECEIVABLE:			
(Other public service enterprises—General City and County)		1,964.84		(Other public service enterprises—General City and County)		1,964.84	
Total interfund accounts receivable		\$233,243.20		Total interfund accounts receivable		\$233,243.20	
DEFERRED CREDITS:				DEFERRED CREDITS:			
Water Department property in service—1947 Hetch Hetchy Water Bond Fund				Water Department property in service—1947 Hetch Hetchy Water Bond Fund			
\$14,971.87		\$14,971.87		\$14,971.87		\$14,971.87	
Unamortized bond premiums		11,004.14		Unamortized bond premiums		11,004.14	
Other				Other			
Total deferred credits		\$25,979.01		Total deferred credits		\$25,979.01	
SURPLUS				SURPLUS			
\$81,608,793.13		\$11,011,796.94		\$81,608,793.13		\$11,011,796.94	
Total		\$174,033,837.85		Total		\$174,033,837.85	
NOTES: Contingent liabilities from pending lawsuits aggregating \$195,787.30 and claims of an undeterminable amount are not reflected in the above statement.				NOTES: Contingent liabilities from pending lawsuits aggregating \$195,787.30 and claims of an undeterminable amount are not reflected in the above statement.			

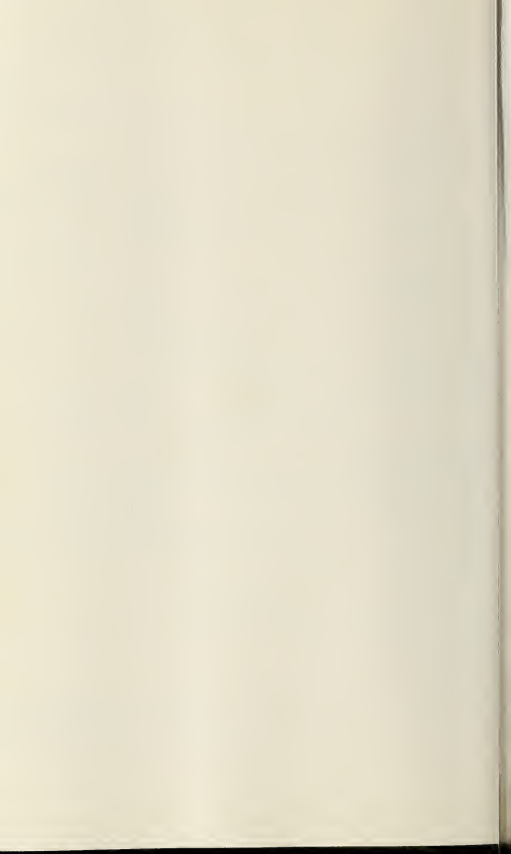


EXHIBIT B

San Francisco Water Department	Hetch Hetchy Project
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Accounts of the Federal Power Commission.

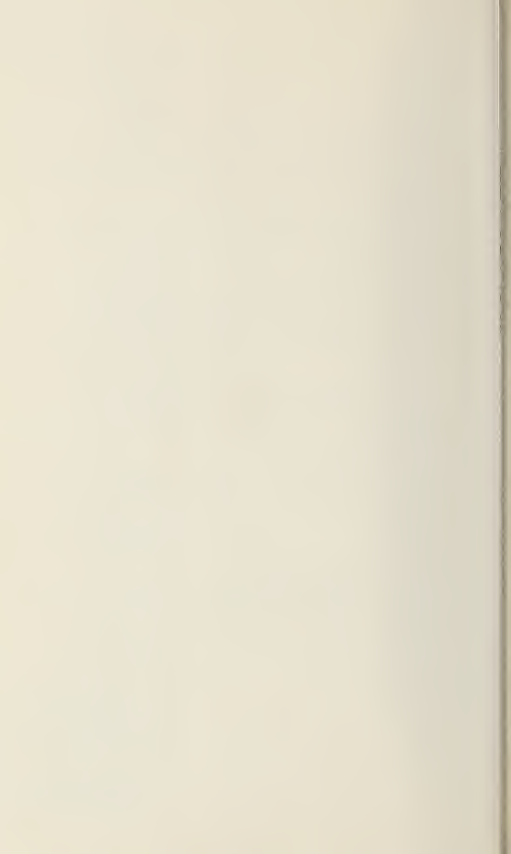


EXHIBIT B
SCHEDULE 1

SAN FRANCISCO WATER DEPARTMENT
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 1951

SOURCE OF WATER SUPPLY:

Superintendence	\$ 51,193.74
Operating labor, supplies, and expense	74,594.46
Repairs — Buildings, fixtures, and grounds	115,710.81
Repairs — Surface facilities	75,367.49
Total	\$316,866.50

PUMPING:

Labor	\$ 78,036.05
Fuel for steam	48,804.76
Power purchased	162,267.85
Lubricants	55.84
Miscellaneous supplies and expense	2,784.32
Repairs — Primary pumping equipment	8,244.34
Repairs — Equipment	982.47
Repairs — Buildings, fixtures and grounds	2,125.72
Gardening	2,321.96
Total	\$305,623.31

PURIFICATION:

Superintendence and labor	\$ 39,643.73
Supplies and expense	68,462.08
Repairs — Plant, structures, and equipment	4,273.70
Total	\$112,379.51

TRANSMISSION AND DISTRIBUTION — WATER:

Superintendence	\$ 64,024.92
Patrolling storage facilities	18,948.96
Meters and fittings department	140,032.55
Street department	24,453.55
Consumers' premises expense	47,116.09
Miscellaneous supplies and expense	10,438.08
Repairs — Transmission mains and canals	29,538.91
Repairs — Reservoirs, tanks, and standpipes	1,806.22
Repairs — Distribution mains and canals	133,059.38
Repairs — Service connections	121,572.52
Repairs — Buildings, streets, and grounds	34,472.48
Repairs — Distribution equipment	3,430.02
Reconstruct and relocate pipe lines	11,719.33
Total	\$640,613.01

COMMERCIAL EXPENSES:

Collection	\$118,344.98
Reading meters	69,884.11
Bookkeeping	162,136.33
General	66,488.76
Inspection and service	53,311.19
Shipping	20,540.74
Total	\$490,706.11

EXHIBIT B
SCHEDULE 1 (Concluded)
SAN FRANCISCO WATER DEPARTMENT
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 1951

ADMINISTRATIVE AND GENERAL EXPENSES:

Salaries — General officers	\$ 20,768.64
Salaries — General office clerks	63,126.32
Office supplies and expense	2,754.00
Injuries and damages	15,884.81
Retirement system contributions	100,271.76
Mason Street building expense	33,477.34
Telephone service	28,016.34
Guest cottages and rest room	163.42
General engineering	68,616.20
Hydrography	865.97
Miscellaneous	967.48
Provision for compensation claims	14,891.62
Insurance	1,543.66
Repairs — Mason Street building	3,535.73
Repairs — Telephone system	12,998.59
Repairs — Miscellaneous	2,064.96
Professional services	17,846.69
Public Utilities Commission expense	50,979.75
Property taxes (outside San Francisco)	489,206.07
Total	<u>\$927,979.35</u>

EXHIBIT B
SCHEDULE 2

HETCH HETCHY PROJECT
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 1951

PRODUCTION EXPENSES:

Operations:			
Supervision and engineering	\$ 39,107.80		
Station labor	98,811.54		
Supplies and expense	63,852.34	\$ 201,771.68	
<hr/>			
Maintenance:			
Supervision and engineering	\$ 7,891.95		
Structures and improvements	46,213.78		
Reservoirs, dams and waterways	20,314.45		
Generating and electrical equipment	18,080.49		
Roads, railroads, bridges and other equipment ..	39,478.96	131,979.63	
<hr/>			
Total		\$ 333,751.31	
<hr/>			

TRANSMISSION AND DISTRIBUTION EXPENSES — POWER:

Operations:			
Supervision and engineering	\$ 11,697.31		
Transmission stations	35,125.18		
Transmission lines	24,295.75	\$ 71,118.24	
<hr/>			
Maintenance:			
Supervision and engineering	\$ 10,713.31		
Structures and improvements	8,391.74		
Station equipment	3,485.94		
Overhead system	66,557.35		
Waterways	18,416.35		
Roads, trails, and other equipment	41,209.99	148,774.68	
<hr/>			
Line rentals		53,999.88	
Distribution:			
Supervision and engineering	\$ 3,671.23		
Wheeling charges	814,758.36	818,429.59	
<hr/>			
Total		\$1,092,322.39	
<hr/>			

ADMINISTRATIVE AND GENERAL EXPENSES:

Salaries of general officers and executives	\$ 74,905.61		
General office salaries	23,186.35		
Expenses of general officers and general office employees	1,904.71		
General office supplies and expenses	3,464.79		
Management and supervision fees—Public Utilities Commission	88,299.48		
Special services—Auditing.....	16,215.02		
Insurance	232.33		
Injuries and damages	11,305.54		
Employees' welfare expenses	58,577.56		
Miscellaneous	3,604.43		
Maintenance of general property	769.16		
Rent paid under Raker Act	30,000.00		
Property taxes (outside San Francisco)	17,580.88		
<hr/>			
Total		\$ 330,045.86	
<hr/>			



BALANCE, JUNE 30, 1950		BALANCE, JUNE 30, 1951	
Consolidation	\$75,870,068.22	Consolidation	\$81,608,793.13
Eliminations	\$31,645,258.21	Eliminations	\$34,043,336.94
San Francisco Water Department		San Francisco Water Department	
Hetch Hetchy Project	\$44,184,810.01	Hetch Hetchy Project	\$47,565,456.19
ADDITIONS:		ADDITIONS:	
Net income for the year ended June 30, 1951 (Exhibit B)		Net income for the year ended June 30, 1951	
Contributions from Federal Government for Cherry Valley Dam		Contributions from Federal Government for Cherry Valley Dam	
Gain on sale, retirement or exchange of capital assets—Net		Gain on sale, retirement or exchange of capital assets—Net	
Contributions under agreements relating to Palo Alto pipeline		Contributions under agreements relating to Palo Alto pipeline	
Contribution by Division of Highways, State of California		Contribution by Division of Highways, State of California	
Contribution by City of Hayward to cost of pipeline		Contribution by City of Hayward to cost of pipeline	
Adjustment of reserve for workmen's compensation		Adjustment of reserve for workmen's compensation	
Sundry		Sundry	
Transfer from Water Department for redemption of 1947 Hetch Hetchy bonds		Transfer from Water Department for redemption of 1947 Hetch Hetchy bonds	
Transfer from Water Department for interest on 1947 Hetch Hetchy bonds		Transfer from Water Department for interest on 1947 Hetch Hetchy bonds	
Property transferred from Hetch Hetchy Project		Property transferred to Water Department during construction	
Total additions		Total deductions	
Total		Total deductions	
DEDUCTIONS:		DEDUCTIONS:	
Adjustments resulting from property appraisal as of June 30, 1948—Net		Adjustments of prior years' expense—Net	
Transfer to 1947 Hetch Hetchy Bond Fund for bond redemption		Transfer to 1947 Hetch Hetchy Bond Fund for bond redemption	
Transfer to 1947 Hetch Hetchy Bond Fund for interest		Transfer to 1947 Hetch Hetchy Bond Fund for interest	
Property transferred to Water Department during construction		Property transferred to Water Department during construction	
Total deductions		Total deductions	
Total		Total	

Municipal Railway of San Francisco



REPORT AND FINANCIAL STATEMENTS

JUNE 30, 1951

Price, Waterhouse and Co.

Certified Public Accountants

351 CALIFORNIA STREET, SAN FRANCISCO, CALIFORNIA

October 15, 1951

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:—

In accordance with your instructions, we have examined the financial statements of the Municipal Railway of San Francisco as of June 30, 1951, as follows:

Balance sheet	Exhibit A
Statement of income and expense	" B
Statement of road and equipment	" C
Statement of reserves for depreciation of road and equipment	" D
Statement of unmatured bonded debt	" E

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our report, program and working papers in connection with our examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

OPERATIONS

Operations for the year ended June 30, 1951, resulted in a loss of \$1,530,409.64 as compared with a loss of \$2,075,012.04 for the preceding year. These results are set forth in Exhibit B, of which the following is a condensed summary:

	Year Ended June 30		Increase
	1951	1950	(Decrease)
Operating income:			
Passenger revenue	\$17,860,166.01	\$18,411,168.66	(\$ 551,002.65)
Advertising, rents, etc.	168,811.28	164,139.17	4,672.11
Total operating income	\$18,028,977.29	\$18,575,307.83	(\$ 546,330.54)
Operating expense	19,537,887.03	20,678,077.13	(1,140,190.10)
Loss from operations	\$ 1,508,909.74	\$ 2,102,769.30	(\$ 593,859.56)
Other income	359,890.20	287,177.18	72,713.02
	\$ 1,149,019.54	\$ 1,815,592.12	(\$ 666,572.58)
Other expense	381,390.10	259,419.92	121,970.18
Loss for year	\$ 1,530,409.64	\$ 2,075,012.04	(\$ 544,602.40)

Statistical records of the Railway show the following mileage traversed during the past two years by the several types of equipment operated:

	Year ended June 30				Increase
	1951		1950		(Decrease)
	Mileage	Per cent of total	Mileage	Per cent of total	Mileage
Motor coaches	17,152,765	58.5	17,950,990	57.5	(798,225)
Trolley coaches	7,396,864	25.2	6,608,169	21.2	788,695
Electric street cars	4,411,817	15.0	6,213,509	19.9	(1,801,692)
Cable cars	367,765	1.3	421,100	1.4	(53,335)
	29,329,211	100.0	31,193,768	100.0	(1,864,557)

Operating income and expense may be expressed in cents per mile traversed as follows:

	Cents per mile		
	Year ended June 30		Increase
	1951	1950	(Decrease)
Operating income:			
Passenger revenue	60.895	59.022	1.873
Advertising, rents, etc. ....	.576	.526	.050
Total operating income	61.471	59.548	1.923
Operating expense:			
Maintenance and repairs:			
Way and structures	2.062	3.549	(1.487)
Equipment	6.856	6.613	.243
	8.918	10.162	(1.244)
Power	6.819	6.848	(.029)
Conducting transportation	31.716	31.315	.401
General and miscellaneous	8.764	7.635	1.129
Taxes .....		.025	(.025)
	56.217	55.985	.232
Provision for accidents	4.567	4.427	.140
Provision for depreciation	5.832	5.877	(.045)
Total operating expense	66.616	66.289	.327
Loss from operations	5.145	6.741	(1.596)

The decrease in passenger revenue resulted primarily from a 2.88% decrease in number of revenue passengers carried and a minor decrease in the average for the year. The effect of these factors on total passenger revenue may be shown as follows:

Decrease in revenue due to decrease in number of revenue passengers carried (5,403,947, times the average passenger fare during the year ended June 30, 1950 of 9.796 cents)	\$529,384.83
Decrease in revenue due to decrease in average passenger fare (number of revenue passengers carried during the year ended June 30, 1951, 182,536,653, times the decrease in average of .012 cents)	21,617.82
Decrease in passenger revenue	\$551,002.65

The decrease of \$1,140,190.10 in operating expense is segregated between payroll and other costs by account groups as follows:

	(Decreases) Increases in operating expense		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures	(\$ 502,074.82)	(\$115,175.18)	(\$386,899.64)
Equipment	(52,278.59)	(13,514.63)	(38,763.96)
	(\$ 554,353.41)	(\$128,689.81)	(\$425,663.60)
Power	(136,078.15)	(1,470.16)	(134,607.99)
Conducting transportation	(466,639.10)	(447,095.94)	(19,543.16)
General and miscellaneous	94,092.48	35,930.97	58,161.51
Taxes	87,167.56		87,167.56
	(\$ 975,810.62)	(\$541,324.94)	(\$434,485.68)
Provision for accidents	(41,325.20)		(41,325.20)
Provision for depreciation	(123,054.28)		(123,054.28)
	(\$1,140,190.10)	(\$541,324.94)	(\$598,865.16)

The decrease in payroll costs was due in part to reduction in the number of operating personnel, for the most part in platform men, resulting from operational changes, such as substitution of one-man operated trolley coaches for two-man operated street cars. Other factors affecting payroll costs included alteration of schedules and routes, and changes in maintenance requirements.

Decreases in payroll costs were in part offset by pay rate increases effective July 1, 1950; rates for some of the principal payroll classifications are shown as follows:

Rates effective			
	Per	July 1, 1950	July 1, 1949
Platform men	Hour	\$ 1.53	\$ 1.506
Trackmen	Day	12.40	12.40
Shop mechanics	Day	13.44	12.80
Senior shop mechanics	Day	16.80	16.00
Automotive mechanics	Week	85.00	82.50
Automotive machinists	Week	90.00	87.50
Car cleaners and janitors	Month	\$190—\$230	\$190—\$230
Inspectors	Month	290— 340	290— 340
General clerks	Month	200— 250	200— 250

Variations in operating expense, other than payroll, are commented upon as follows:

Maintenance and repairs of way and structures decreased \$386,899.64. Expense for the prior year included charges of \$343,503.79 for the cost of removal of street car tracks on Mission Street.

Cost of gasoline and diesel fuel decreased \$40,515.41 to \$1,148,526.08, cost of electric power for street car and trolley coach operations decreased \$98,582.33 to \$604,413.28, and other costs increased \$4,489.75, a net decrease in power expense of \$134,607.99.

General and miscellaneous expenses increased \$58,161.51. A public information and business promotion campaign, commenced in the prior year, was completed at a total cost of \$56,845.20; of this amount \$52,845.20 is included in expenses of the current year.

Effective January 1, 1951, the Railway and its employees became subject to the Federal Social Security Act, as amended. The Railway provided \$94,859.09 for its share of the tax applicable to the last six months of its fiscal year. With respect to taxes, it may be noted that the Railway, if privately owned, would be subject to Federal, State of California, and City and County of San Francisco taxes, in addition to Federal Social Security tax. Many uncertain factors are involved in the computation of such hypothetical taxes, and accurate estimates are not possible. However, the aggregate of charges to the Railway by the City and County Employees' Retirement System and the above-mentioned provision for Federal Social Security tax was in excess of that which would have been paid if the Railway had been subject to all Federal and State payroll taxes in effect during the year.

Provision for accidents was computed at 7.5% of passenger revenue; the accrual of \$1,339,512.45 was \$41,325.20 less than for the preceding year.

Provision for depreciation, \$1,710,397.02, was \$123,054.28 less than for the preceding year. Comments concerning this item appear under road and equipment accounts.

The increase in bond interest expense may be accounted for as follows:

	Year ended June 30		Increase
	1951	1950	(Decrease)
Issue of December 1, 1913	\$ 12,083.33	\$ 17,083.33	(\$ 5,000.00)
Market Street Railway			
Refinancing Issue of 1947	21,595.05	22,840.93	(1,245.88)
Rehabilitation Issue of 1947	250,926.75	219,495.66	31,431.09
	\$284,605.13	\$259,419.92	\$25,185.21

Interest on the rehabilitation bonds is charged, during the construction period, to the capital projects financed by such bonds.

CHANGES IN FINANCIAL POSITION

The financial position of the Railway at June 30, 1951, is presented in Exhibit A, and is summarized and compared with the position at June 30, 1950, in the following statement:

	June 30		Increase
	1951	1950	(Decrease)
Assets:			
Fixed capital	\$20,850,591.78	\$20,377,102.08	\$ 473,489.70
Cash	5,903,468.39	5,220,990.10	682,478.29
Accounts receivable	85,493.79	457,464.68	(371,970.89)
Deferred charges:			
Materials and supplies	918,498.17	964,456.71	(45,958.54)
Other items	11,478.59	17,663.86	(6,185.27)
Commitments	2,385,371.21	628,430.64	1,756,940.57
	<u>\$30,154,901.93</u>	<u>\$27,666,108.07</u>	<u>\$2,488,793.86</u>
Liabilities and surplus:			
Bonded debt	\$19,420,900.00	\$17,919,300.00	\$1,501,600.00
Bond interest payable	133,436.25	132,648.74	787.51
Accounts payable, commitments, etc.	4,120,344.24	2,561,493.80	1,558,850.44
Reserves	2,544,158.09	2,645,871.99	(101,713.90)
Deferred credits	20,220.51	22,572.59	(2,352.08)
Contributed surplus	5,815,650.47	4,753,618.94	1,062,031.53
Deficit	(1,899,807.63)	(369,397.99)	(1,530,409.64)
	<u>\$30,154,901.93</u>	<u>\$27,666,108.07</u>	<u>\$2,488,793.86</u>

The increase in cash at June 30, 1951, may be accounted for as follows:
Funds provided:

Charges to expenses not involving cash outlay:

Provision for:

Accident claims\$1,339,512.45

Depreciation 1,710,397.02 \$3,049,909.47

Net book value of assets sold and retired 423,234.15

\$3,473,143.62

Less—Loss for year 1,530,409.64

\$1,942,733.98

Tax contribution from City and County of San Francisco 1,062,031.53

Bonded debt incurred 2,400,000.00

Increase in bond interest payable 787.51

Decrease in accounts receivable 371,970.89

Decrease in materials and supplies 45,958.54

Decrease in deferred charges, other than materials and supplies.. 6,185.27

\$5,829,667.72

(Forward)

(Brought Forward)

Funds applied:

Additions to fixed capital	\$2,607,120.87
Bonded debt redeemed	898,400.00
Decrease in accounts payable	198,090.13
Payments for accidents, and accident department costs	1,425,063.36
Decrease in deferred credits	2,352.08
Decrease in reserve for employees' compensation claims	15,000.00
Decrease in token liability	1,162.99
	<hr/>
	\$5,147,189.43
	<hr/>
Increase in cash	\$ 682,478.29
	<hr/>

BALANCE SHEET

Statements of road and equipment, other than construction and rehabilitation work in progress, and related reserves for depreciation are presented in Exhibits C and D, respectively. A summary of the changes in fixed capital accounts follows:

	Assets	Reserves	Net
Road and equipment:			
Balance, June 30, 1950	\$41,099,185.09	\$21,337,771.93	\$19,761,413.16
Additions	2,754,103.46	1,710,397.02	1,043,706.44
	<hr/>	<hr/>	<hr/>
	\$43,853,288.55	\$23,048,168.95	\$20,805,119.60
Retirements	2,716,531.61	2,293,297.46	423,234.15
	<hr/>	<hr/>	<hr/>
	\$41,136,756.94	\$20,754,871.49	\$20,381,885.45
Construction and rehabilitation work in progress			468,706.33
			<hr/>
			\$20,850,591.78

Pursuant to the provisions of Section 128 of the Charter of the City and County of San Francisco, the Public Utilities Commission shall make an appraisal of the properties of each of the utilities during the fiscal year 1937-1938, and at least every five years thereafter it shall appraise these properties or revise the last preceding appraisal; accordingly, a revision of the 1937-1938 appraisal of the Municipal Railway and of the 1944 appraisal of the Market Street Extension was made as at June 30, 1948, by the Controller of the City and County of San Francisco who was appointed by the Public Utilities Commission to make such appraisal. In our report dated October 14, 1949, we have referred to the report thereon issued by the Controller.

Provision for depreciation charged to operations in the year ended June 30, 1951, \$1,710,397.02, compares with a provision of \$1,833,451.30 for the previous year. The provision was computed on the basis of the revised appraisal of properties as at June 30, 1948, and taking into consideration additions and retirements recorded in the accounts during the two years ended June 30, 1950. It is the policy of the Railway to make no provision for depreciation on an addition to fixed capital in the year in which the asset is put in service.

Road and equipment of the Railway is recorded in the books at appraised amounts, as determined by the Public Utilities Commission as at June 30, 1938 (Market Street Extension as of September 29, 1944) with additions to date substantially at cost. Retirements are made at booked amounts when obtainable, otherwise on the basis of engineering estimates.

The fixed capital accounts include a substantial amount of properties not presently in operation. A complete engineering survey would appear desirable upon completion of the present rehabilitation program in order to ascertain for segregation the costs and reserves applicable to the retained operated and non-operated properties.

Additions to road and equipment during the year consisted of the following:

Ways and structures:

Land—southwest corner of Junipero Serra and Sloat Boulevard	\$ 7,500.00
Construction of Kirkland bus yard	252,851.41
Additions and alterations to Geary offices	318,788.97

Installation of trolley coach overhead:

Sutter Street (Nos. 1, 3 and 4 lines)	\$ 213,235.53	
Stockton-Fourth Street (F line)	381,501.21	594,736.74
<hr/>		
Additional costs incurred in connection with trolley coach overheads installed in previous year		23,805.25
Replacement of tracks in Twin Peaks tunnel		91,554.63
Construction of turnback loop at Union and Fillmore Streets (Nos. 22 and 41 lines)		19,613.49
Other		16,453.68
		<hr/>
		\$1,325,304.17

Equipment:

Purchase of 60 trolley coaches	\$1,075,003.50
Purchase of 21 trucks	46,294.17
Purchase of 7 automobiles	11,197.92
370 metal door treadles, spare equipment, etc., for motor and trolley coaches	35,121.80
Modernization of machine tools at Elkton shops ..	24,101.98
Purchase of equipment for Kirkland bus yard	25,521.82
Other	42,327.49
	<hr/>
	\$1,259,568.68

Power:

Construction of West Portal substation	\$ 169,230.61
	<hr/>
Total additions	\$2,754,103.46

Recorded retirements and sales were as follows:

	Road and Equipment	Reserve for Depreciation
Ways and structures:		
Land, buildings, etc.:		
McAllister yard	\$ 69,635.00	\$ 3,835.00
Sutro car house	128,506.00	50,918.88
Turk and Fillmore car house	261,910.00	114,933.36
Funston Avenue and Lincoln Way storage yard	54,000.00	
Land at La Playa and Balboa Street	4,125.00	
Tracks, etc.:		
Sections of old lines—Eighth Street, Twelfth Street, Twenty-Second Street, and Castro Street; spur track—Otis Street	81,398.03	81,107.67
California Street, from Eighth Avenue to Lin- coln Park (C line)	128,575.90	125,733.29
Mission Street viaduct; Mission Street, from Excelsior Avenue to county line (Nos. 14 and 40 lines)	277,350.97	264,729.73
Divisadero Street, from Page Street to Sacra- mento Street; Sacramento Street, from Fill- more Street to Arguello Boulevard (Nos. 4 and 24 lines)	415,068.36	411,194.64
Fourth Street, Townsend Street, Stockton Street, Columbus Avenue, etc.—overhead trolley wire only (F line)	34,786.84	31,367.04
Twin Peaks tunnel	33,142.07	32,157.10
Jackson Street, from Fillmore Street to Pre- sidio Avenue; Presidio Avenue, from Jack- son Street to California Street (No. 3 line)	135,012.00	134,293.25
Oak Street and Page Street, from Fillmore Street to Stanyan Street; Stanyan Street, from Oak Street to Carl Street; Frederick Street, from Stanyan Street to Arguello Boulevard (Nos. 7 and 20 lines)	340,104.92	337,972.23
Bayshore Boulevard, from Army Street to San Bruno Avenue (No. 25 line)	66,973.00	66,786.40
Sutro car house	27,291.00	26,921.70
Other, including sundry buildings, tracks, etc.	102,961.31	81,943.44
	<u>\$2,160,840.40</u>	<u>\$1,763,893.73</u>
Equipment:		
42 Electric street cars	\$ 367,349.87	\$ 354,749.87
2 motor coaches	25,301.64	25,048.63
Patterns for Market Street Railway type electric street cars	73,532.00	62,501.85
Other	89,507.70	87,103.38
	<u>\$ 555,691.21</u>	<u>\$ 529,403.73</u>
Total retirements	<u>\$2,716,531.61</u>	<u>\$2,293,297.46</u>

With respect to the retirements of track, the costs of removal were paid out of the 1947 City and County of San Francisco Street Improvement Bond Fund, no portion of the debt service of which has been allocated to the Railway.

On October 30, 1950, the Board of Supervisors approved a resolution transferring jurisdiction of land at Funston Avenue and Lincoln Way to the San Francisco Unified School District upon the payment of \$175,000 to the Municipal Railway. Payment was received by the Railway in December, 1950, and the gain of \$121,000 was credited to other income.

The following schedule shows the changes in route mileage during the year, compiled from statistical records of the Railway:

	June 30			
	1951		1950	
	Non-Operated	Operated	Non-Operated	Operated
Single track railway mileage:				
Electric street cars	80.66	59.00	94.33	71.51
Cable cars .....	.05	6.75	.06	6.77
	<u>80.71</u>	<u>65.75</u>	<u>94.39</u>	<u>78.28</u>
Round trip mileage of streets traversed:				
Motor coaches		370.06		343.28
Trolley coaches		102.26		80.05
Total route mileage		<u>538.07</u>		<u>501.61</u>

A summary of units of revenue equipment on hand and changes therein during the year follows:

	June 30 1950	Addi- tions	Retire- ments	June 30 1951
Electric street cars	227		42	185
Cable cars	27			27
Motor coaches	495		2	493
Trolley coaches	298	60		358
	<u>1,047</u>	<u>60</u>	<u>44</u>	<u>1,063</u>

Reconstruction and rehabilitation work in progress at June 30, 1951, consisted of:

Plans and specifications for central repair shops	\$ 78,210.91
Construction of trolley coach overhead—Van Ness and Potrero Avenues (Line No. 47)	81,378.85
West Portal feeder system	56,757.79
Other projects	116,697.23
Interest during construction, engineering and general overhead expense allocable to projects	135,661.55
	<u>\$468,706.33</u>

Cash on deposit with the Treasurer may be summarized as follow:

Bond fund—Rehabilitation Issue of 1947	\$2,776,402.98
Operating fund	2,969,851.06
Reconstruction and replacement fund	132,517.05
Bond interest funds	3,260.00
Bond fund—Market Street Railway Refinancing Issue of 1947	4,537.30
Bond redemption fund	900.00
Real Property fund	1,000.00
	<u>\$5,888,468.39</u>

Funds on deposit with the Treasurer were confirmed to us by the Controller.

Revolving funds in banks were reconciled with amounts reported to us direct by the depositaries, and confirmations were received from the custodians of the petty cash funds.

Accounts receivable consisted of the following:

Claims under excess coverage liability insurance	\$12,342.16
Advertising revenue	15,690.77
Charter services, etc.	17,756.01
Post Office Department, U. S. Government	12,500.00
Other	4,051.63
	<u>\$62,340.57</u>

As a test of the receivables, requests for confirmation of balances, totaling \$61,524.22, were sent by us to debtors; satisfactory replies were obtained from all debtors circularized. No losses are anticipated in the collection of these accounts.

Interfund accounts receivable were confirmed to us by other certified public accountants examining the Controller's accounts.

The inventory of materials and supplies, \$918,498.17, is the gross book value of inventories on hand at June 30, 1951. This amount was determined by a tabulation of perpetual inventory records as of May 31, 1951, adjusted for receipts and issues during June 1951. Perpetual inventory records were adjusted on the basis of physical counts made by employees at various times during the year. Officials of the Railway have furnished us with a letter as to quantities, condition and pricing of the inventory. During the examination our representatives made test counts, at several locations, of quantities of items selected at random. The pricing was tested by us by reference to invoices or other supporting data. Our tests indicated that the inventories are priced at purchase cost, average purchase cost, or written down appraised useful or scrap value. Extensive tests were made by us of the arithmetical accuracy of the inventories.

The balance of \$2,105.45 in the reserve for obsolescence of materials and supplies at June 30, 1950, was absorbed by charges for obsolete materials, shortages and overages, etc. In addition, adjustments, aggregating \$36,784.97, to reduce obsolete materials and supplies to salvage or useful values, were charged to other expense. While further adjustment may be required to reduce all obsolete materials and supplies to salvage or useful values the total amount involved does not appear to be material in relation to the total inventory.

A statement of unmatured bonded debt is presented in Exhibit E. The changes in the bonded debt were as follows:

		Principal Amount
Balance, June 30, 1950 (including \$300 principal amount of matured bonds of Issue of March 1, 1913, not presented for payment)		\$17,919,300
Issued:		
Rehabilitation Issue of 1947, Series F (dated September 1, 1951)	2,400,000	
		<u>\$20,319,300</u>
Redeemed:		
Issue of December 1, 1913	\$ 99,400	
Market Street Railway Refinancing		
Issue of 1947	100,000	
Rehabilitation Issue of 1947:		
Series "A"	\$434,000	
Series "B"	123,000	
Series "C"	90,000	
Series "D"	38,000	
Series "E"	14,000	699,000
		<u>898,400</u>
Balance, June 30, 1951 (including \$900 Principal amount of matured bonds of Issue of March 1, 1913, not presented for payment)		<u>\$19,420,900</u>

As of June 30, 1951, there remained unissued \$650,000 of the \$20,000,000 Rehabilitation bonds authorized by the voters in November, 1947. The Controller's office confirmed to us the principal amount of the outstanding bonded debt, both unmatured and matured but unredeemed.

Commitments to outsiders included the following:

Purchase of 25 street cars	\$873,500.00
Purchase of 40 trolley coaches	774,581.83
Construction of trolley coach overhead—Van Ness and Potrero Avenues (Line No. 47)	159,845.67
Construction of Mission-Alemany substation	70,703.73

Interfund accounts payable were confirmed to us by other certified public accountants examining the Controller's accounts.

The changes in the reserve for accident claims may be summarized as follows:

Balance, June 30, 1950		\$2,447,504.66
Provision for accidents		1,339,512.45
		<u>3,787,017.11</u>
Claims paid, including sundry expense items	\$1,241,161.54	
Less—Portion covered by outside insurance:		
Paid direct by insurance carriers ..\$ 9,000.00		
Paid by Municipal Railway and recovered from insurance carriers	121,167.62	130,167.62
		<u>\$1,110,993.92</u>
Claims department payroll, etc.		135,664.80
Pro rata of City Attorney's office costs		99,150.00
Cost of excess insurance coverage policy		78,092.54
Miscellaneous		1,162.10
		<u>1,425,063.36</u>
Balance, June 30, 1951 ..		<u>\$2,361,953.75</u>

The provision for the year was equivalent to 12.6% of claims filed. The total claims paid and charged to the reserve during the year, including sundry expense items and after deducting the portion thereof covered by outside insurance, was equivalent to 13.6% of amounts claimed. In addition, the reserve was charged with approximately \$314,000 representing claims department payroll, pro rata of City Attorney's office costs, cost of excess insurance coverage policy, etc. Whether or not the reserve is sufficient to cover settlement of all claims arising from operations to June 30, 1951, cannot be determined at this time.

Based on information received from the City and County Employees' Retirement System, a reserve of \$175,000 is required to cover outstanding employees' compensation claims.

* * * * *

In our opinion, the accompanying financial statements present fairly the position of the Municipal Railway of San Francisco at June 30, 1951, and the results of its operations for the year, on a basis consistent with that of the preceding year.

Yours very truly,

PRICE, WATERHOUSE & CO.

EXHIBIT A MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET — JUNE 30, 1951
(Accompanying report of Price, Waterhouse & Co., dated October 15, 1951)

LIABILITIES AND SURPLUS

BONDED DEBT:

Unmatured bonds (Exhibit E):

Maturing within one year \$ 1,501,000.00
 Maturing subsequent to June 30, 1952 17,919,000.00

Matured bonds not presented for payment \$19,420,000.00

BOND INTEREST PAYABLE:

Accrued but not due \$ 130,176.25
 Matured coupons not presented for payment 3,260.00

133,436.25

ACCOUNTS PAYABLE, COMMITMENTS, ETC.:

Outstanding warrants and payroll deductions \$ 892,283.74
 General creditors 315,058.81
 Provision for estimated additional wages for prior years 60,000.00
 Accrued Social Security tax 21,790.11

Uncompleted contracts, purchase orders and other commitments—see contra \$ 1,289,132.66

3,508,699.66

INTERFUND ACCOUNTS PAYABLE AND COMMITMENTS:

Due to General City and County \$ 535,853.49
 Due to other public service enterprises 109,986.88

Uncompleted work orders to other city departments—see contra \$ 445,840.37

611,644.58

RESERVE:

Accident claims \$ 2,361,933.75
 Employee compensation claims 175,000.00
 Outstanding tokens 7,204.34

2,544,158.09

DEFERRED CREDITS

20,220.51

SURPLUS (Note):

Contributed \$4,753,618.94
 (Loss) for year (Exhibit B) .. Tax contribution from City and County of San Francisco 1,062,031.53
 Balances, June 30, 1950 \$5,815,650.47
 Balances, June 30, 1951 (\$ 1,899,807.63)

3,915,842.84

\$30,154,901.93

NOTE: Under the Annual Appropriation Ordinance for the fiscal year 1951-1952 (as amended September 4, 1951) \$687,255 of the surplus at June 30, 1951 has been appropriated for operations.

ASSETS

FIXED CAPITAL:

Road and equipment (Exhibit C) \$41,136,756.94
 Less—Reserves for depreciation (Exhibit D) 20,754,871.49

Construction and rehabilitation work in progress \$20,381,883.45

\$20,850,591.78

CASH: On deposit with Treasurer \$ 5,888,468.39
 Revolving funds 15,000.00

5,903,468.39

ACCOUNTS RECEIVABLE

Due from General City and County \$ 18,835.61
 Due from other public service enterprises 4,317.61

23,153.22

DEFERRED CHARGES:

Materials and supplies \$ 918,498.17
 Prepaid insurance premiums and other deferred items 11,478.59
 Uncompleted contracts, purchase orders, interdepartmental work orders and other commitments—see contra: \$2,219,567.00

To outsiders 2,383,371.21
 To other city departments 165,804.21

3,315,347.97

\$30,154,901.93



EXHIBIT B
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME AND EXPENSE

	Year ended June 30		Increase
	1951	1950	(Decrease)
Operating income:			
Passenger revenue	\$17,860,166.01	\$18,411,168.66	(\$ 551,002.65)
Advertising revenue	141,484.39	127,057.22	14,427.17
Rents	8,868.37	9,778.42	(910.05)
Other	18,458.52	27,303.53	(8,845.01)
Total operating income ..	\$18,028,977.29	\$18,575,307.83	(\$ 546,330.54)
Operating expense:			
Maintenance and repairs:			
Ways and structures	\$ 604,825.52	\$ 1,106,900.34	(\$ 502,074.82)
Equipment	2,010,667.03	2,062,945.62	(52,278.59)
	\$ 2,615,492.55	\$ 3,169,845.96	(\$ 554,353.41)
Power	2,000,003.69	2,136,081.84	(136,078.15)
Conducting transportation	9,301,926.01	9,768,565.11	(466,639.10)
General and miscellaneous	2,475,696.22	2,381,603.74	94,092.48
Taxes	94,859.09	7,691.53	87,167.56
	\$16,487,977.56	\$17,463,788.18	(\$ 975,810.62)
Provision for accidents	1,339,512.45	1,380,837.65	(41,325.20)
Provision for depreciation (Exhibit D)	1,710,397.02	1,833,451.30	(123,054.28)
Total operating expense ..	\$19,537,887.03	\$20,678,077.13	(\$1,140,190.10)
Loss from operations	\$ 1,508,909.74	\$ 2,102,769.30	(\$ 593,859.56)
Other income:			
Interest on bank balances	\$ 15,046.45	\$ 13,935.35	\$ 1,111.10
Gain on sales of fixed capital to other city departments:			
Land at Lincoln Way and Funston Avenue to San Francisco Unified School District	121,000.00		121,000.00
San Mateo right of way to Water Department		209,431.25	(209,431.25)
Realized from sales of other fixed capital and salvage less net book value of as- sets retired and sundry	223,190.87	58,922.54	164,268.33
Warrants of prior periods credited to income	652.88	4,888.04	(4,235.16)
Total other income	\$ 359,890.20	\$ 287,177.18	\$ 72,713.02
	\$ 1,149,019.54	\$ 1,815,592.12	(\$ 666,572.58)
Other expense:			
Interest on bonded debt	\$ 284,605.13	\$ 259,419.92	\$ 25,185.21
Adjustments of materials and supplies to estimated sal- vage or useful values	36,784.97		36,784.97
Provision for estimated addi- tional wages for prior years	60,000.00		60,000.00
Total other expense	\$ 381,390.10	\$ 259,419.92	\$ 121,970.18
	\$ 1,530,409.64	\$ 2,075,012.04	(\$ 544,602.40)

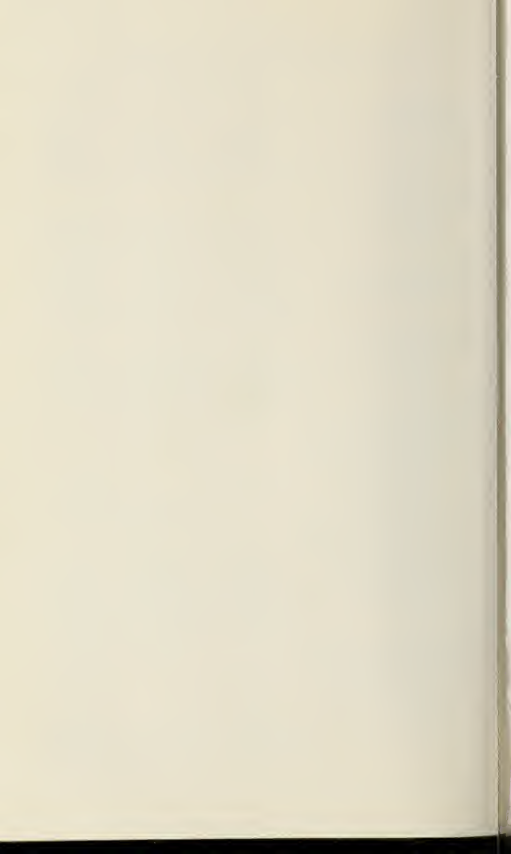


EXHIBIT D MUNICIPAL RAILWAY OF SAN FRANCISCO STATEMENT OF RESERVES FOR DEPRECIATION OF ROAD AND EQUIPMENT

Balances, June 30, 1951		Balances, June 30, 1950	
Combined	Municipal Market Street Extension Railway	Combined	Municipal Market Street Extension Railway
Way and structures:			
928,224.98	\$ 662,128.50	\$ 831,218.98	\$ 1,089,353.62
Grading.....			
Ballast.....			
Ties.....			
Rails, rail fastenings and joints.....			
Special track work.....			
Underground and construction.....			
Track and roadway labor.....			
Paving.....			
Roadway machinery and tools.....			
Tunnels and subways.....			
Bridges, trestles and culverts.....			
Crossings, fences and signs.....			
Signals and interlocking apparatus.....			
Poles and fixtures.....			
Communication systems.....			
Underground conduits.....			
Distribution system.....			
Shops, carhouses and garages.....			
Stations, miscellaneous buildings and structures.....			
Equipment:			
Electric street cars.....	\$ 1,487,592.39	\$ 1,487,592.39	\$ 1,487,592.39
Cable cars.....			
Motor coaches.....			
Trolley coaches.....			
Fare boxes.....			
Service equipment—electric.....			
Electric equipment of street cars and trolley coaches.....			
Shop equipment.....			
Furniture and office equipment.....			
Automotive and miscellaneous service equipment.....			
Power:			
Substation buildings.....	\$ 1,216.38	\$ 232,286.37	\$ 233,502.75
Power plant equipment—cable cars.....			
Substation equipment.....			
Transmission system.....			
NOTES: (1) Reserves for depreciation applicable to additions to or replacements of Market Street Extension properties are included under the caption "Municipal Railway." (2) Refer to comments in accompanying report of Price, Waterhouse & Co. relative to depreciation policy.			

EXHIBIT E MUNICIPAL RAILWAY OF SAN FRANCISCO STATEMENT OF UNMATURED BONDED DEBT

Principal Amount Outstanding June 30, 1931	Maturities	Dates	ISSUE		
			Principal Amount Per Annum	Interest Rate	
\$ 200,000	December 1	1951-52	\$100,000	5%	Issue of December 1, 1913
\$1,000,000	May 1	1952-53	\$500,000	1 1/4%	Market Street Railway Refinancing Issue of 1947 (dated May 1, 1948)
\$ 650,000	May 1	1954	650,000	1 1/4%	Total Market Street Railway Refinancing Issue of 1947

\$ 868,000	February 1	1952-53	\$434,000	1 3/4%	Rehabilitation Issue of 1947:
433,000	February 1	1954	433,000	1 3/4%	Series "A" (dated February 1, 1948)
1,732,000	February 1	1955-58	433,000	2%	
2,165,000	February 1	1959-63	433,000	2 1/2%	
\$ 5,198,000					
\$ 246,000	August 1	1951-52	\$123,000	4%	Series "B" (dated August 1, 1948)
369,000	August 1	1953-55	123,000	1 1/4%	
123,000	August 1	1956	123,000	1 3/4%	
1,118,000	August 1	1957-58	123,000	1 3/4%	
1,118,000	August 1	1959-60	123,000	2%	
1,680,000	August 1	1961-63	123,000	2%	
\$ 4,654,000					
\$ 180,000	March 1	1952-53	\$90,000	6%	Series "C" (dated March 1, 1949)
360,000	March 1	1954-57	90,000	1 1/2%	
380,000	March 1	1958	380,000	1 1/2%	
2,400,000	March 1	1959-64	400,000	1 1/2%	
\$ 3,320,000					
\$ 315,000	August 1	1951-53	\$105,000	4%	Series "D" (dated August 1, 1949)
210,000	August 1	1954-55	105,000	1%	
105,000	August 1	1956	105,000	1 1/4%	
416,000	August 1	1957-60	104,000	1 1/4%	
416,000	August 1	1961-64	104,000	1 1/2%	
\$ 1,462,000					
\$ 78,000	November 1	1951-52	\$39,000	4%	Series "E" (dated November 1, 1949)
76,000	November 1	1953-54	39,000	1%	
190,000	November 1	1955-56	38,000	1%	
114,000	November 1	1957-61	38,000	1 1/4%	
536,000	November 1	1962-64	38,000	1 1/2%	
\$ 330,000	September 1	1951-53	\$110,000	1 1/4%	Series "F" (dated September 1, 1950)
690,000	September 1	1954	690,000	1 1/4%	
1,380,000	September 1	1955-56	690,000	1%	
\$ 2,400,000					
\$17,570,000					Total Unmatured Bonded Debt
\$19,420,000					Total Rehabilitation Issue of 1947

Airport Department

SAN FRANCISCO AIRPORT — SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended June 30, 1951

CITY AND COUNTY OF SAN FRANCISCO

Office of the Controller

December 5, 1951

Mr. Harry D. Ross
Controller
City and County of San Francisco

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, an examination has been made of the accounts of the San Francisco Airport, San Mateo County, for the fiscal year ended June 30, 1951. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Schedules based on this examination are submitted herewith as follows:

Exhibit A—Balance Sheet June 30, 1951.

Exhibit A

Schedule 1—Statement of Fixed Capital Under Construction, June 30, 1951.

Exhibit B—Surplus Account June 30, 1951.

Exhibit C—Statement of Income and Expense, Years Ended June 30, 1951, and June 30, 1950.

Exhibit D—Comparative Report of Aircraft Movements and Traffic, including Domestic and International Activities.

The examination was limited to the verification of assets and liabilities at June 30, 1951, and an analytical review and test check of the revenue and expenses of the fiscal year ended as of that date. A general review of the accounting methods was made and the accounting records and the evidence in support thereof were examined or tested in a manner and to the extent considered appropriate in view of the system of internal accounting control. Verification of the property accounts was limited to a review of the recorded additions and retirements during the year.

Fixed capital is recorded in the accounts at appraised values established by the Bureau of Engineering of the Public Utilities Commission under the provisions of Section 128 of the Charter, plus subsequent additions at cost, or appraised values, less retirements at appraised values or at recorded or estimated cost in the case of unappraised items of property. It is our understanding that the general basis for all appraisals herein referenced, is the cost of the property at the time it was first placed in service. In connection with the appraisals of and additions to property, the engineers have estimated the depreciable value and useful life thereof; provisions for depreciation based thereon are charged to income.

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	In Service	Accrued Depreciation	Net Book Value
Balance, June 30, 1950	\$37,788,653.83	\$4,063,096.99	\$33,725,556.84
Additions and betterments	3,108,422.11	823,339.87 (1)	2,285,082.24
	<hr/> \$40,897,075.94	<hr/> \$4,886,436.86	<hr/> \$36,010,639.08
Retirements: Land	319.00		319.00
Equipment	42,691.67	25,744.03	16,947.64
Balance, June 30, 1951	<hr/> \$40,854,065.27	<hr/> \$4,860,692.83	<hr/> \$35,993,372.44

(1) Provision for the year charged to operating expenses.

Additions and Betterments \$3,108,422.11

Additions to and betterments of fixed capital in service were financed through the 1938 and 1945 Bond Funds and the Federal Airport Project as follows:

Runways, field drainage, drainage control, landing field, lighting and marking	\$2,511,441.80
Roads, walks, parking areas, bridges and culverts	410,326.84
Land	213.00
Buildings	173,335.75
Equipment	13,104.72
Total additions and betterments	<u>\$3,108,422.11</u>

Retirements

Land \$319.00

Pursuant to recommendation by the Director of Property and approval by Board of Supervisors Resolution No. 9972 dated June 13, 1950, the amount of \$349.45 was received from sale of surplus airport land. The excess value in service of \$30.45 was credited to miscellaneous additions to and deductions from income.

Equipment \$42,691.67

Equipment retired in the total amount of \$35,271.65 was sold by the Purchaser of Supplies for \$11,010.97. The reserve for depreciation was debited with the amount provided therein, \$19,228.79, and the unrealized loss in service value of \$5,031.89 was debited to miscellaneous additions to and deductions from income.

As at November 30, 1951, formal approval was in process whereby the Purchaser of Supplies will adjust the Airport's equipment inventory to reflect the retirement of equipment in the total amount of \$7,420.02. The reserve for depreciation was debited with the amount provided therein, \$6,515.24, and the unrealized loss in service value \$904.78, was debited to miscellaneous additions to and deductions from income.

Fixed Capital Under Construction

The projects classified as fixed capital under construction are listed on Exhibit A, Schedule 1, and are summarized as follows:

Balance, July 1, 1950	\$1,689,390.64
Expenditures:	
1945 Bond Fund	\$ 440,512.26
1949 Bond Fund	111,302.69
Federal Airport Project	1,710,673.94
	<u>2,262,488.89</u>
	\$3,951,879.53
Transferred to fixed capital in service	3,108,422.11
Balance, June 30, 1951	<u>\$ 843,457.42</u>

All of the transactions in this account were financed by the 1938, 1945 and 1949 Bond Fund and the Federal Airport Project except that charges for interest during construction, which are in relation to the 1938, 1945 and 1949 Bond Funds, are allocations of the interest budgeted in the Airport Operating Fund.

Surplus

The amount of \$7,418.75 indicated on Exhibit B represents unearned rental of space occupied by R. D. Rassmussen. Pursuant to the provisions of a memorandum of understanding approved by the Public Utilities Commission, R. D. Rassmussen constructed dining and beverage rooms in and adjoining the administration building at an audited cost to him of \$40,032.14. This expenditure R. D. Rassmussen was permitted to recover by withholding from commissions that otherwise would be paid to the Airport, 5% of the gross receipts from the new dining and

beverage room. Said withholding was terminated in accordance with the memorandum of understanding during the fiscal year 1950-1951. Total sum withheld, \$32,613.39, was credited to revenue during the period March 4, 1948 to March 4, 1951, leaving an unamortized balance of \$7,418.75 which was written into surplus. As stated in our two preceding reports the terms of the memorandum of understanding are violative of Charter Sections 72, 74, 86, 95 and 127.

Contingent Liability

The valid claims filed against the Airport reported at June 30, 1950, were disposed of as follows:

Claimant	Amount Claimed	Amount of Settlement	Remarks
Paul N. Guyer	\$ 250.00	\$ 101.00	Judgment—Case No. 037765
Sidney Zagri	10,000.00	300.00	Authorized by PUC Resol. No. 11,973
Gaile Cottier			
Aka Gaile Penry ..	76,500.00	3,000.00	Paid by insurance carrier

A review of the Controller's claim register and supplemental data indicated claims filed against the Airport unsettled at June 30, 1951, as follows:

Date of Accident	Claimant	Amount Claimed	Date Filed with Controller	Type of Claim
5-23-50 (1)	San Mateo Airport	\$329.22	7-22-50	Property damage
1-11-51 (1)	John S. Broome	305.38	3- 8-51	Property damage
8- 2-50	L. S. Fewart	15.45	10-30-50 (2)	Property damage
9-24-50	Amer. Air Lines Inc.	19.00	1-19-51 (2)	Property damage
2-19-51	Doris Nehisa	100.00	6- 1-51 (2)	Property damage

(1) Insurance carrier notified of claim.

(2) Not valid—claim not filed with Controller within 60 days—Charter Section 87.

On February 2, 1951, Trans World Airlines, Inc. brought suit against the City and County of San Francisco, et. al. in the District Court of the United States for declaratory relief on written contract and injunction pendente lite, preliminary and final. Generally the plaintiff seeks to have the court adjudge and declare that the plaintiff's sole obligation and duty under its basic lease as supplemented and amended is to pay the rental therein set forth, and that upon payment of said rental plaintiff may use and enjoy all the facilities of the San Francisco Airport in the course of its business. In its answer to the complaint and in its cross-complaint the City maintains that, notwithstanding the basic lease, and further, under the very terms of the document, full power and authority is conferred upon the City to charge the plaintiff for the use of various facilities in common use at the Airport at the same rates and charges imposed upon various other aircraft lines, which rates and charges were legally adopted in accordance with the provisions of Charter Section 130.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims or pending litigation involving the Airport, other than as indicated above.

Statement of Income and Expense

Reference is made to Exhibits C and D for a tabulation of the operating revenues and expenses, bond interest expense and such of the statistics as relate to operating revenue.

The increase in operating revenues stems primarily from the increase in aviation activities and increased rates and charges effective January 1, 1951. As a result of the increased traffic through the Airport, non-aviation activities and services were generated and/or stimulated.

Operating expenses increased over the preceding year principally because of the statutory provisions affecting salaries and wages, the pension and retirements related thereto, and additional provision for depreciation. Comment on depreciation appears hereinbefore under additions to and betterment of fixed capital.

Detailed findings and comments resulting from this examination are submitted separately.

OPINION

It is our opinion, subject to the exceptions set forth herein, that the accompanying balance sheet and statements of surplus and income and expense fairly present the financial condition of the San Francisco Airport, San Mateo County, as at June 30, 1951, and the results of its operation for the fiscal year ended that date.

Respectfully submitted,

NATHAN B. COOPER,
Supervisor, Utility Audits.

EXHIBIT A
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
BALANCE SHEET AS AT JUNE 30, 1951

ASSETS

Fixed Capital:		
In service	\$40,854,065.27	
Less reserve for depreciation	4,860,692.83	
Net book value	\$35,993,372.44	
Under construction (Schedule 1)	843,457.42	\$36,836,829.86
Cash:		
On deposit with City and County Treasurer	\$10,532,126.52	
In transit to City and County Treasurer	3,963.11	
Revolving fund	2,500.00	10,538,589.63
Accounts Receivable:		
Federal grants	\$ 1,207,888.85	
Revenues accrued and other receivables (net) ..	136,592.72	1,344,481.57
Interfund Accounts:		
Due from general city and county	\$ 15,789.70	
Due from other public service enterprises	243.79	16,033.49
Deferred Charges:		
Materials and Supplies	\$ 6,933.96	
Contracts, purchase orders, interfund commitments, etc. (contra)	590,483.50	
Other deferred items	14,774.72	612,192.18
Total Assets		<u>\$49,348,126.73</u>

LIABILITIES AND SURPLUS

Bonded Debt:		
Matured—Not presented for payment	\$ 10,000.00	
Maturing within year ending June 30, 1952	1,698,000.00	
Maturing Sept. 1, 1952 through Apr. 1, 1966 ..	14,967,000.00	\$16,675,000.00
Bond Interest:		
Matured coupons not presented for payment	\$ 2,300.00	
Accrued, not due	44,713.34	47,013.34
Accounts Payable:		
Outstanding warrants	\$ 37,819.09	
General creditors	66,920.56	
Contracts, purchase orders, etc. (contra)	521,300.01	626,039.66
Interfund Accounts:		
Due to general city and county	\$ 1,613,290.32	
Due to other public service enterprises	22,325.14	
Interfund commitments (contra)	69,183.49	1,704,798.95
Deferred Credits		82,598.92
Total Liabilities		<u>\$19,135,450.87</u>
Surplus—Exhibit B		30,212,675.86
Total Liabilities and Surplus		<u>\$49,348,126.73</u>

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
SURPLUS
YEAR ENDED JUNE 30, 1951

Surplus, June 30, 1950, annual report of Controller	\$26,760,399.87	
Add:		
Contributions:		
Ad valorem tax for operating services	\$2,047,467.79	
Purchase and use tax for bond interest and redemption	949,312.50	
Grants from federal government	1,294,643.00	
State of California—special aviation fund	2,579.45	
R. D. Rasmussen	7,418.75	4,301,421.49
Total		<u>\$31,061,821.36</u>
Deduct:		
Net loss—fiscal year 1950-1951		849,145.50
Surplus, June 30, 1951		<u><u>\$30,212,675.86</u></u>

EXHIBIT C
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1951 AND JUNE 30, 1950

OPERATING REVENUES:	June 30, 1951	June 30, 1950
Air Carrier Flight Operations:		
Scheduled	\$198,595.09	\$144,604.40
Scheduled feeder lines	10,601.01	6,236.13
Non-scheduled	4,121.18	4,393.23
Total Air Carrier Flight Operations	\$213,317.28	\$155,233.76
Rentals:		
Aircraft outdoor storage	\$ 6,244.06	\$ 6,884.00
Airport property		
Unimproved	16,957.03	17,888.21
Paved	25,413.49	21,075.22
Ramp area	12,593.73	15,248.09
Expansion area	2,415.00	2,400.00
Hangars		
Entire hangars	41,929.38	28,900.58
Partial hangars	542.45	189.95
Passenger terminal building-office space	17,646.44	14,672.98
Other buildings and structures	11,500.02	11,500.00
Total Rentals	\$135,241.60	\$118,759.03
Bulk Petroleum Deliveries:		
Professional fire service	\$ 9,600.00	\$ 3,902.52
Rental of tank farm area	3,781.80	2,944.66
Wharfage charges	10,805.36	1,310.00
Pipe line licenses	990.00	
Total Bulk Petroleum Deliveries	\$ 25,177.16	\$ 8,157.18
Services, Sales, Commissions and Permits:		
Public address system	\$ 13,360.96	\$ 15,992.89
Restaurant, cafe and newsstand	55,718.38	49,704.26
Taxi-cab and limousine permits	39,690.16	25,906.22
Parking lot	56,905.73	36,291.71
U-Drive	12,940.47	2,799.97
Telephone commissions	4,747.25	5,346.11
Telegraph commissions	13,041.54	10,884.91
Sales of petroleum products	64,786.17	80,193.42
Shoe shine stand	1,086.88	955.68
Vending and weighing machines	362.97	298.16
Insurance vending machines	3,673.23	1,937.61
Travel agency	773.59	3,359.84
Baggage locker commissions	1,234.16	645.10
Rest rooms	5,228.67	4,396.60
Total Services, Sales, Commissions and Permits	\$273,550.16	\$238,712.48
TOTAL OPERATING REVENUES	\$647,286.20	\$520,862.45

EXHIBIT C (Continued)
 AIRPORT DEPARTMENT
 SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
 STATEMENT OF INCOME AND EXPENSE
 YEARS ENDED JUNE 30, 1951 AND JUNE 30, 1950

OPERATING EXPENSES:	June 30, 1951	June 30, 1950
Salaries and Wages:		
General & administrative	\$ 35,919.39	\$ 34,733.30
Maintenance & operations	268,201.17	252,012.15
Total Salaries and Wages	\$ 304,120.56	\$ 286,745.45
Other Costs of Operation:		
Travel expenses and local fares	\$ 11,481.21	\$ 11,444.02
Freight, express and drayage	4.67	46.63
Use of employees' cars—mileage only	207.06	678.79
Storage and care of vehicles	73.50	43.70
Maintenance and care of office equipment	394.30	344.82
Maintenance and care of other equipment		8.00
Gas and electricity	15,515.90	12,094.37
Telephone and telegraph	\$9,121.28	
Less: Extension service		
charged to tenants	2,168.08	6,953.20
		6,888.39
Postage	517.63	563.38
Printing, advertising, etc.	695.03	1,018.67
Newspapers and periodicals	304.00	409.37
Janitorial and window washing services:		
Contractual	1,380.00	1,196.00
Refuse disposal	295.11	237.68
Professional and special services	3,376.81	7,114.97
Miscellaneous and contractual services	2,479.40	3,322.61
Operating material and supplies	9,430.30	9,495.69
Unallocated charges for use of automotive		
equipment	259.80	447.71
Fire-fighting expense	53,015.08	53,408.97
Total Other Costs of Operation	\$ 106,383.00	\$ 108,763.77
Other Costs of Maintenance and Repair:		
Landing area	\$ 1,919.63	\$ 5,449.12
Runways	3,593.40	3,293.54
Field lighting equipment	6,271.16	5,224.91
Radio equipment	884.40	1,173.51
Hangars	242.49	758.89
Administration building	3,681.03	9,918.75
Other buildings	8,928.48	6,521.29
Automotive equipment	5,600.83	545.22
Other equipment facilities, furniture		
and fixtures	2,854.07	4,815.93
Parking areas, roads, walks, fences, etc.	4,158.67	8,548.70
Power distribution system	10,529.92	3,850.57
Total Other Costs Maintenance		
and Repair	\$ 48,664.08	\$ 50,100.43
Fixed Charges:		
Accident compensation—employees	\$ 1,103.98	\$ 2,987.34
Automobile insurance	458.63	535.77
Other insurance	11,453.85	12,794.95
Pension and retirement allowance	33,668.36	30,147.11
Taxes paid	\$76,664.37	
Less: Charged to tenants	3,982.53	72,681.84
		72,295.26
Depreciation	823,339.87	648,646.19
Doubtful accounts	4,800.00	4,800.00
Injuries and damages	101.00	1,100.00
Total Fixed Charges	\$ 947,607.53	\$ 773,306.62
TOTAL OPERATING EXPENSES	\$1,406,775.17	\$1,218,916.27
OPERATING LOSS	\$ 759,488.97	\$ 698,053.82

EXHIBIT C (Concluded)
 AIRPORT DEPARTMENT
 SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
 STATEMENT OF INCOME AND EXPENSE
 YEARS ENDED JUNE 30, 1951 AND JUNE 30, 1950

OTHER INCOME NET:	June 30, 1951	June 30, 1950
Resale of electric energy	\$151,211.22	\$132,948.31
Less: Cost thereof.....	118,048.28	108,212.44
Remainder	\$ 33,162.94	\$ 24,735.87
Miscellaneous—Net	562.16	629.39
Total Other Income	\$ 33,725.10	\$ 25,365.26
	<u>\$725,763.87</u>	<u>\$672,688.56</u>
OTHER EXPENSE:		
1945 Airport Bond Interest Expense	120,900.41	87,584.53
Loss from sale of fixed capital and salvage less net book value of assets retired	2,481.22	
Total Other Expense	\$123,381.63	\$ 87,584.53
NET LOSS	<u>\$849,145.50</u>	<u>\$760,273.09</u>

EXHIBIT D
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATISTICS
YEARS ENDED JUNE 30, 1951 AND JUNE 30, 1950

Comparative report of aircraft movements and traffic, including domestic and international activities.

	<u>June 30, 1951</u>	<u>June 30, 1950</u>	<u>Increase Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	90,794	79,839	10,955	13.7
Itinerant	17,656	19,539	-1,883	-9.6
Local	25,648	23,905	1,743	7.3
Total	<u>134,098</u>	<u>123,283</u>	<u>10,815</u>	<u>8.8</u>
Number of passengers, as reported by air carriers:				
On and off	1,340,115	1,084,590	255,525	23.6
Through (no-stopovers)	367,925	222,717	145,208	65.2
Totals in and out (1)	<u>1,708,040</u>	<u>1,307,307</u>	<u>400,733</u>	<u>30.7</u>
Air mail, express and freight, in pounds on and off, as reported by Post Office Dept., Railway Express Agency and various air lines: (1)				
Air mail	23,636,209	14,929,703	8,706,506	58.3
Express	8,342,420	7,023,402	1,319,018	18.8
Freight	35,503,778	27,007,278	8,496,500	31.5
Totals	<u>67,482,407</u>	<u>48,960,383</u>	<u>18,522,024</u>	<u>37.8</u>

Note:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.

[illegible]

JUNE 30, 1951

[illegible]

EXHIBIT A
SCHEDULE 1
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT — SAN MATEO COUNTY
FIXED CAPITAL UNDER CONSTRUCTION
JUNE 30, 1951

Transfers, 1950-1951		Transfers, 1950-51		Transfers, 1950-51		Transfers, 1950-51	
To 1945 Bond Fund	In Service	From Federal Airport Project	Allocation of Expenditures Contracts	Balance 6-30-50	Additions 1950-1951	Balance 6-30-50	To 1945 Bond Fund
\$732,354.73	\$2,723,411.52	\$2,723,411.52	\$3,097,346.79	\$1,678,315.32	\$2,151,186.20	\$2,723,411.52	\$732,354.73
1949 BOND FUND:							
Brought Forward.....							
Interest during Construction.....	\$ 44,124.04	\$ 44,124.04					\$ 44,124.04
Preliminary Expense.....	818.85	818.85					818.85
Legal Fees and Expenses.....	525.00	525.00					525.00
Architectural Services.....	1,008.00	1,008.00					1,008.00
General Office Plans and Specifications.....	11,929.84	11,929.84					11,929.84
Field Engineering and Inspection.....	3,305.81	3,305.81					3,305.81
Construction Equipment.....	2,720.42	2,720.42					2,720.42
Land Reclamation and Improvement.....	495.54	495.54					495.54
Field Drainage.....	2,232.88	2,232.88					2,232.88
Drainage Control.....	367.96	367.96					367.96
Runways, Taxiways, and Aprons.....	20,925.85	20,925.85					20,925.85
Landing Field—Lighting and Marking.....	1,158.63	1,158.63					1,158.63
Roads, Walks, Parking Areas, Fences, etc.....	6,671.80	6,671.80					6,671.80
Water Supply System.....	1,564.91	1,564.91					1,564.91
Sewage System.....	1,163.69	1,163.69					1,163.69
Power Supply and Street Lighting System.....	4,415.32	4,415.32					4,415.32
Telephone System.....	168.00	168.00					168.00
Gas Supply System.....	137.02	137.02					137.02
Miscellaneous.....	40.80	40.80					40.80
Buildings.....	7,528.33	7,528.33					7,528.33
Total 1949 Bond Fund.....	\$ 111,302.69	\$ 111,302.69					\$111,302.69
1938 BOND FUND:							
Interest during Construction.....	\$ 1,075.32	\$ 1,075.32					\$ 1,075.32
Undistributed Construction Costs.....	10,000.00	10,000.00					10,000.00
Total 1938 Bond Fund.....	11,075.32	11,075.32					11,075.32
TOTAL FIXED CAPITAL UNDER CONSTRUCTION.....							
	\$1,689,390.64	\$2,264,488.89	\$2,723,411.52			\$3,108,422.11	\$843,457.42

) Denotes negative amount.

San Francisco School Department

(A Unified School District)



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1951

Peter Barnett and Company

Certified Public Accountants

SAN FRANCISCO

Honorable Harry D. Ross
Controller, City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the balance sheets of the San Francisco Unified School District as at June 30, 1951 and the statements of revenues and expenditures and surplus for the year then ended. Our examination was made in conformity with generally accepted auditing standards and accordingly included all procedures which we considered necessary in the circumstances.

REVENUES AND EXPENDITURES

The following comparative summary shows revenues and expenditures for the fiscal years ended June 30, 1951 and 1950 (cents omitted):

	Year Ended June 30,		Increase (Decrease)
	1951	1950	
Revenues:			
Property taxes and penalties	\$16,352,466	\$14,415,785	\$1,936,681
State of California—			
School fund apportionment	7,720,320	7,462,264	258,056
Retirement subventions	352,874	335,794	17,080
Other revenues	1,731,900	1,632,333	99,567
Total Revenues	\$26,157,560	\$23,846,176	\$2,311,384
Operating expenses	25,637,752	23,892,205	1,745,547
	\$ 519,808	\$ (46,029)	\$ 565,837
Net capital outlay from current funds	1,826,121	956,957	869,164
Excess of expenditures over revenues	\$ (1,306,313)	\$ (1,002,986)	\$ 303,327

Property taxes were verified by reference to the tax rate, the records of the Controller and examination of the cash transfer vouchers from the Controller's office for the year under review.

Revenues from the State School Fund consist of the share of state funds apportioned to San Francisco on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance	(79,288)	(48,546)	(24,506)	(6,236)
\$90 per pupil	\$7,135,920	\$4,369,140	\$2,205,540	\$561,240
Physically handicapped	(956)	(786)	(170)	
Extra cost to school department (not over \$400 per pupil)	\$ 382,400	\$ 314,400	\$ 68,000	
Mentally retarded	(1,201)	(655)	(546)	
Not over \$100 per pupil	\$ 120,100	\$ 65,500	\$ 54,600	
School years maintained	(51)		(49)	(2)
\$1,000 per year	\$ 51,000		\$ 49,000	\$ 2,000
Additional for small high schools	14,900		\$ 14,900	
Evening schools	(3)		(3)	
\$4,000 per year	\$ 12,000		\$ 12,000	
Continuation school	(1)		(1)	
\$4,000 per year	\$ 4,000		\$ 4,000	
	\$7,720,320	\$4,749,040	\$2,408,040	\$563,240

These revenues were in agreement with the abstract of fund apportionment received from the State Superintendent of Public Instruction, which we compared with the School District records.

A comparison of the average daily attendance follows:

	1950-1951	1949-1950
Elementary schools	49,748	48,546
High schools	23,618	24,506
Junior college	4,983	6,236
	<u>78,349</u>	<u>79,288</u>

We reviewed the procedures for compiling the daily school attendance sufficiently to satisfy ourselves that the average daily attendance figures were substantially correct.

Cafeterias:

The following schedule presents in detail the income and expense in connection with the Cafeteria operation for the fiscal year ended June 30, 1951:

Income:		
Sales	\$955,656.72	
Federal grants	100,673.95	\$1,056,330.67
<hr/>		
Expenses:		
Cost of food	\$685,138.48	
Salaries and wages	274,848.10	
Student help	28,015.05	
Supplies and expense	43,165.97	
Central office	2,235.64	
Repairs and replacements	341.34	
Provision for sick and vacation pay	22,058.04	1,055,802.62
<hr/>		
Net Income		\$ 528.05
<hr/>		

The net income of the Cafeterias is held in trust for cafeteria operations and is not available for any other purpose.

Student Body Funds:

These funds are maintained at City College, high schools and elementary schools. All accounting records of these student body funds are kept at the various schools and are internally audited at regular intervals. We have reviewed the procedures adopted for the conducting of these internal audits and we believe them to be adequate.

PROPRIETARY BALANCE SHEET

Fixed Capital Properties:

Fixed capital properties are stated in the proprietary balance sheet at the amounts shown on the records of the Controller. We understand that these represent appraisal values of 1920 plus subsequent additions at cost, except where property has been received at no cost the appraisal value thereof has been used.

Net additions to fixed capital properties during the fiscal year ended June 30, 1951 were as follows:

	Total	Land	Buildings and Improvements	Equipment
Additions per School District records—				
1948 Bond fund ..\$3,929,749.64	\$	11,312.81	\$3,742,344.56	\$176,092.27
School current fund 2,217,554.47		1,504,034.50	243,680.98	469,838.99
Special accumu- lative build- ing fund 71,545.57		64,852.00	6,693.57	
Real property fund 42,443.10		42,443.10		
	<u>\$6,261,292.78</u>	<u>\$1,622,642.41</u>	<u>\$3,992,719.11</u>	<u>\$645,931.26</u>
Less—				
Net reduction due to proper- ties sold, ex- changed or otherwise dis- posed of.....\$ (142,501.18)	\$	(72,668.57)	\$ (17,252.86)	\$(52,579.75)
Capital outlay 1949-1950 re- corded in 1950-1951— net 9,160.28		890.00	9,059.31	(789.03)
Adjustments be- tween classi- fications 1,474.00		1,474.00	(46,235.49)	44,761.49
	<u>\$ (133,340.90)</u>	<u>\$ (70,304.57)</u>	<u>\$ (54,429.04)</u>	<u>\$ (8,607.29)</u>
Net additions per Controller's records				
1950-1951 .....\$6,127,951.88	\$	1,552,337.84	\$3,938,290.07	\$637,323.97

Cash:

Cash in the various funds of the School District at June 30, 1951, as shown by the books of the Treasurer, was as follows:

Current funds:

School District	\$ 5,281,822.16	
Bonds matured — unredeemed	4,000.00	
Bond interest	35,842.08	\$ 5,321,664.24

Capital funds:

1948 School bonds	\$11,896,868.11	
Real property	124,977.15	12,021,845.26

Trust funds:

Accumulative building fund	\$ 55,873.38	
Child Care Center	180,944.91	
Sabbatical leave (Teachers)	16,030.67	
Retirement (Teachers)	34,218.00	
Annuity deposits (Teachers)	14,919.01	
Federal withholding tax	254,816.37	
County service fund	836.00	
Veterans' education	342.20	
Cafeteria	222,896.03	
Will C. Steinbrunn bequest	10,175.57	791,052.14

Total cash deposited with Treasurer		\$18,134,561.64
---	--	-----------------

Revolving funds:

School District	\$ 1,500.00	
Cafeteria	1,550.00	
	\$ 3,050.00	

Hume Foundation Trust fund (deposited with American Trust Company)	313.00	3,363.00
--	--------	----------

Total Cash		\$18,137,924.64
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The cash on deposit with the Treasurer was reconciled to the Treasurer's balance sheet.

Accounts Receivable:

A summary of accounts receivable is given hereunder:

Taxes and penalties:

Taxes — current year	\$130,027.79
Taxes — prior years	392,997.11
Penalties on delinquencies	5,459.88
	<u>\$528,484.78</u>
Reserve for unsecured taxes	375,256.32

\$153,228.46

Other accounts receivable:

Tuition due from other counties	\$386,399.11
Subventions for vocational training of veterans	161,534.47
Federal subvention for aid to local education (Public Law 874)	113,461.29

Cafeterias:

Federal grants (May and June)	19,780.60
Other	2,693.09
Salary overpayments	15,309.25
Other	19,469.18
	<u>718,646.99</u>
	<u><u>\$871,875.45</u></u>

Tuition due from other counties consists of \$1,377.45 tuition billed to other counties for prior years but not collected and \$385,021.66 billed in July, 1951 for tuition for non-resident students at City College for the fiscal year 1950-1951.

Subventions for vocational training of veterans consist of bills rendered (\$98,370.39) plus an estimate (\$63,164.08) for instruction and supplies given in May and June, billed subsequently.

Federal subvention for aid to local education refers to assistance given by the federal government to those local educational agencies upon which a financial burden has been placed by reason of providing education for children whose parents are employed or living on federal property. The full amount (\$113,461.29) shown in the above tabulation was collected in July, 1951.

Cafeteria federal grants represent the following billings:

May (collected in July)	\$14,241.77
June	5,538.83
	<u>\$19,780.60</u>

Salary overpayments of \$15,309.25 are not considered fully collectible. Some of the teachers concerned have left the service and the statute of limitations has expired on some of the unpaid balances.

Unsecured taxes of \$375,256.32 as at June 30, 1951 have been fully reserved.

The amount of \$718,646.99 for accounts receivable other than taxes will be taken into income in the year in which collection is made and therefore an equivalent amount is shown under deferred credits in the balance sheet.

Claims for fire damage as at June 30, 1951 in the amount of \$44,701.76 have been submitted and collected in the subsequent fiscal year.

Inventories and Deferred Charges:

Stores inventory represents the cost of supplies and certain equipment on hand in general stock at June 30, 1951 as shown by the records of the School District. Physical inventories were taken, priced and extended by School District employees as at March 31, 1951 and the balance of the inventory account in the general ledger was reduced by \$1,459.88 in order to bring it into agreement with the physical inventories.

Quantities, prices, extensions and footings of the physical inventory were tested and the recorded transactions subsequent to the date of the physical count were reviewed sufficiently to satisfy ourselves as to the substantial accuracy of the inventory value at June 30, 1951.

A summary of insurance in force at June 30, 1951 follows:

Fire and extended coverage—

School District property including contents	\$43,070,000
Federally owned Child Care Center	15,000

Automobiles—

Bodily injury including non-ownership	200,000/500,000
Property damage including non-ownership	100,000
Fire and theft	Cash value

Boiler	100,000/500,000
--------------	-----------------

Blanket fidelity bond (each loss)	25,000
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Additional fidelity bond coverage—

Chief of the budget division and the co-ordinator of home economics and cafeteria (each)	15,000
Superintendent of schools	25,000
Board of Education members (each)	2,500

Bodily injury (Child Care Center)	100,000/1,000,000
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Property damage (Child Care Center)	1,000/10,000
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Valuable records	50,000
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Loss of rental income	348,000
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During the fiscal year 1950-1951 90% coverage was in effect for fire and extended coverage insurance as compared with full coverage for the previous fiscal year.

General public liability insurance is not carried. The legal advisor of the School District advised us that the contingent liability under unsettled claims would approximate \$35,000.00.

Bonded Debt and Interest:

Following is a summary of the changes in the bonded indebtedness during the fiscal year under review as shown by the records of the Controller:

Date of Issue	Interest Rate	Balance June 30, 1950	Transactions During Fiscal Year		Balance June 30, 1951
			Sold	Redeemed	
March 1, 1923.....	5%	5,106,000		\$302,000	\$ 4,804,000*
March 1, 1949.....	1¼%	3,400,000			3,400,000
March 1, 1949.....	1½%	3,000,000			3,000,000
March 1, 1949.....	5½%	425,000		175,000	250,000
April 1, 1951.....	1¼%		\$ 1,534,000		1,534,000
April 1, 1951.....	1¾%		8,466,00		8,466,000
		<u>\$11,931,000</u>	<u>\$10,000,000</u>	<u>\$477,000</u>	<u>\$21,454,000</u>

*Includes \$4,000 matured but unpaid.

Of the \$48,890,000 school bond issue approved by public vote in November, 1948 \$31,890,000 remained unsold at June 30, 1951.

Bond interest payable or accrued as at June 30, 1951 amounted to \$191,424.06 as follows:

Coupons matured — not presented for payment	\$ 35,842.08
Interest accrued — not due	155,581.98
	<u>\$191,424.06</u>

The bonded debt and interest payable thereon are not reflected on the books of the School District and are shown in the annexed balance sheet only as a matter of record. In accordance with the practice established in prior years, the interest accrued between the last coupon dates and the end of the fiscal year (\$155,581.98) has been treated as a deferred charge.

Accounts Payable:

Accounts payable are summarized hereunder:

Warrants and pay roll deductions outstanding	\$ 2,624,306.91
Trade creditors—	
Goods and services received for which warrants had not yet been issued	324,792.66
Uncompleted contracts and purchase orders	9,732,811.00
	<u>\$12,681,910.57</u>

The contractual liability of \$9,732,811.00 for uncompleted contracts and purchase orders comprises obligations for goods and services not received nor rendered as at June 30, 1951. Since these charges apply to a period subsequent to that date, a like amount is shown as a deferred charge on the annexed balance sheet, in accordance with past practice.

The inter-fund accounts payable were reconciled with the records of the Controller. This liability comprises the following balances:

Employees' retirement system	\$468,900.00
Department of Public Works	323,033.09
Other city departments	57,464.26
Other funds	8,059.53
	<u>857,456.88</u>

The goods and services for which the foregoing liabilities were incurred were furnished or rendered prior to June 30, 1951 and the corresponding charges are reflected in the accounts of the fiscal year then ended.

We were unable to verify the amount of the liability to the Employees' Retirement System at June 30, 1951 as the records of that department had not been completed for the fiscal year then ended at the time of our examination.

In our opinion the accompanying balance sheets and related statements of surplus and revenues and expenditures present fairly the position of the SAN FRANCISCO UNIFIED SCHOOL DISTRICT as at June 30, 1951 and the results of its operations for the fiscal year then ended.

Respectfully submitted,

PETER BARNETT AND COMPANY
Certified Public Accountants

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDEX TO FINANCIAL STATEMENTS
JUNE 30, 1951

EXHIBIT A—Proprietary Balance Sheet—June 30, 1951.

EXHIBIT B—Statement of Surplus for the Fiscal Year Ended June 30, 1951—
Current Surplus.

EXHIBIT C—Statement of Surplus for the Fiscal Year Ended June 30, 1951—
Capital Surplus.

EXHIBIT D—Statement of Revenues and Expenditures for the Fiscal Years
Ended June 30, 1951 and 1950.

Schedule 1—Details of Revenue for the Fiscal Years Ended June
30, 1951 and 1950.

Schedule 2—Details of Expenditures for the Fiscal Years Ended
June 30, 1951 and 1950.

EXHIBIT E—Funds Balance Sheet—June 30, 1951.

EXHIBIT F—Reconciliation of Proprietary Balance Sheet with Funds Balance
Sheet—June 30, 1951.

EXHIBIT A

LIABILITIES AND SURPLUS

Fixed Capital Properties (Note 1):

Cash:

(On deposit with Treasurer (Note 2)).

Accounts Receivable:

Less—reserve for unsecured

(Other accounts, subventions, etc. (contra) -

Inventories and Deferred Charges:

Shop inventory — at cost.....

Unexpired insurance.....

AN

DON'T

Note 4: Contingent liability for personal injury claims of students and others is stated by the legal advisor to the Board of Education to be approximately \$35,000,000.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICTSTATEMENT OF SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1951

CURRENT SURPLUS

BALANCE — JUNE 30, 1950	\$3,802,116.97
Deduct—	
Net expenditures for the fiscal year ended June 30, 1951 (Exhibit D)	1,306,312.48
BALANCE — JUNE 30, 1951	<u>\$2,495,804.49</u>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1951
CAPITAL SURPLUS

BALANCE — JUNE 30, 1950

\$52,050,312.31

Add—

Capital outlay from non-capital funds—

Capital outlay as shown by School District records—

From school general fund.....

From special accumulative building fund.....

Capital outlay of 1949-1950 recorded in 1950-1951—net.....

\$2,217,554.47
 71,545.57
 9,160.28

Equipment purchases charged to prepaid expense—

\$2,298,260.32

to be adjusted 1951-1952.....

1,161.94

Surplus arising from exchange of property with the

Park and Recreation Commission—

Book value of property received—Block 2963A.....

\$ 38,327.04

Book value of property transferred—Block 2955 B.....

20,934.05

Gain on sale of property—

Block 3921 A, Lot 2.....

\$ 20,379.45

Block 7098, Lot 5.....

13,682.95

Bonded debt matured during year.....

475,000.00

Premium on sale of bonds.....

9,419.00

Deduct—

Cost or assigned book value of properties sold—

Sloat and Sunset 19.48 acres.....

\$78,482.92

Block 2131 A, Lot 15.....

\$ 81,168.92

Building—609 Vermont.....

\$ 5.00

Building—2111 Revere.....

2,300.00

Building—938 Hollister.....

3,500.00

Cost or assigned book value of equipment disposals.....

53,741.69

BALANCE — JUNE 30, 1951

\$54,744,893.35

140,715.61

EXHIBIT D
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1951 AND 1950

	<u>Fiscal Years Ended June 30,</u>	
	<u>1951</u>	<u>1950</u>
Revenues (Schedule 1)	\$26,157,560.38	\$23,846,175.73
Operating Expenses:		
Administration	\$ 753,840.84	\$ 719,405.62
Instruction	18,043,419.27	16,628,252.64
Operation	1,912,044.35	1,881,585.86
Maintenance	1,098,744.43	1,300,566.93
Auxiliary services	472,143.52	378,004.53
Fixed charges	2,786,778.01	2,514,537.76
Community services	214,908.61	116,967.32
Tuition paid to other counties	3,183.64	5,099.04
Total direct expenses	<u>\$25,285,062.67</u>	<u>\$23,544,419.70</u>
Auxiliary (indirect) services contributed by the Board of Health:		
Medical inspection	\$ 76,425.21	\$ 80,382.38
Dental inspection	45,377.92	44,951.67
Nurse service	230,885.79	222,451.00
	<u>\$ 352,688.92</u>	<u>\$ 347,785.05</u>
Total operating expenses (Schedule 2)	<u>\$25,637,751.59</u>	<u>\$23,892,204.75</u>
Excess of Revenues or Operating Expenses.....	\$ 519,808.79	\$ (46,029.02)
Capital Outlay From Current Funds.....	\$ 2,217,554.47	\$ 1,457,408.39
Less—		
Sale of land and buildings.....	391,433.20	500,451.00
Net capital outlay from current funds (Schedule 2)	<u>\$ 1,826,121.27</u>	<u>\$ 956,957.39</u>
Net Expenditures 1950-1951 — To Exhibit B....	<u>\$ 1,306,312.48</u>	
Net Expenditures 1949-1950.....		<u>\$ 1,002,986.41</u>

SCHEDULE 1
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF REVENUE
FOR THE FISCAL YEARS ENDED JUNE 30, 1951 AND 1950

	Fiscal Years Ended June 30,	
	1951	1950
Property Taxes and Penalties	\$16,352,466.24	\$14,415,785.25
Received From State of California:		
Elementary schools	\$ 4,748,901.07	\$ 4,638,905.00
High schools and City College	2,971,418.93	2,823,358.58
Retirement subventions	352,874.01	335,794.46
	<u>\$ 8,073,194.01</u>	<u>\$ 7,798,058.04</u>
Other Revenues:		
San Francisco Housing Authority	\$ 97,459.79	\$ 88,670.85
Federal and State vocational education	62,276.50	70,650.24
Reimbursement for veterans' vocational training	305,472.89	340,003.21
Tuition from other counties	467,294.23	354,950.94
Rentals	370,097.32	391,590.14
Miscellaneous	76,610.48	38,682.01
	<u>\$ 1,379,211.21</u>	<u>\$ 1,284,547.39</u>
Total direct revenues	\$25,804,871.46	\$23,498,390.68
Auxiliary (Indirect) Revenues		
Services of physicians, dentists and nurses re- ceived from Department of Health	352,688.92	347,785.05
Total Revenues — To Exhibit D	<u>\$26,157,560.38</u>	<u>\$23,846,175.73</u>

SCHEDULE 2, PAGE 1
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1951 AND 1950

	Fiscal Years Ended June 30,	
	1951	1950
Administration:		
Salaries	\$ 625,524.99	\$ 585,844.25
Supplies	37,652.53	36,165.14
Travel	17,254.51	15,816.46
Miscellaneous.....	73,408.81	81,579.77
	<u>\$ 753,840.84</u>	<u>\$ 719,405.62</u>
Instruction — Salaries:		
Supervision	\$ 304,847.82	\$ 278,638.07
Kindergartens.....	658,262.82	560,971.02
Elementary schools.....	6,642,115.45	6,068,630.25
Special schools	417,061.61	381,256.39
Junior high schools.....	2,832,463.99	2,568,223.30
Senior high schools.....	3,679,021.50	3,445,229.60
Adult schools	629,953.24	592,233.81
Trade and industrial schools	372,853.90	331,985.62
Continuation school	210,413.61	218,820.40
City College	1,457,264.33	1,366,342.34
	<u>\$17,204,258.27</u>	<u>\$15,812,330.80</u>
Instruction — Supplies, Etc.:		
Kindergarten supplies	\$ 11,756.21	\$ 11,974.65
Educational supplies	545,307.21	522,610.57
Books	185,323.68	185,546.75
Travel	17,763.21	19,245.05
Miscellaneous.....	79,010.69	76,544.82
	<u>\$ 839,161.00</u>	<u>\$ 815,921.84</u>
Operation:		
Janitors, engineers and gardeners:		
Salaries	\$ 1,307,600.78	\$ 1,301,595.26
Supplies	94,447.19	82,950.74
Gas and electricity	171,864.21	154,139.42
Fuel	102,787.36	112,811.23
Water	50,089.70	53,264.03
Miscellaneous.....	185,255.11	176,825.18
	<u>\$ 1,912,044.35</u>	<u>\$ 1,881,585.86</u>
Carried forward	<u>\$20,709,304.46</u>	<u>\$19,229,244.12</u>

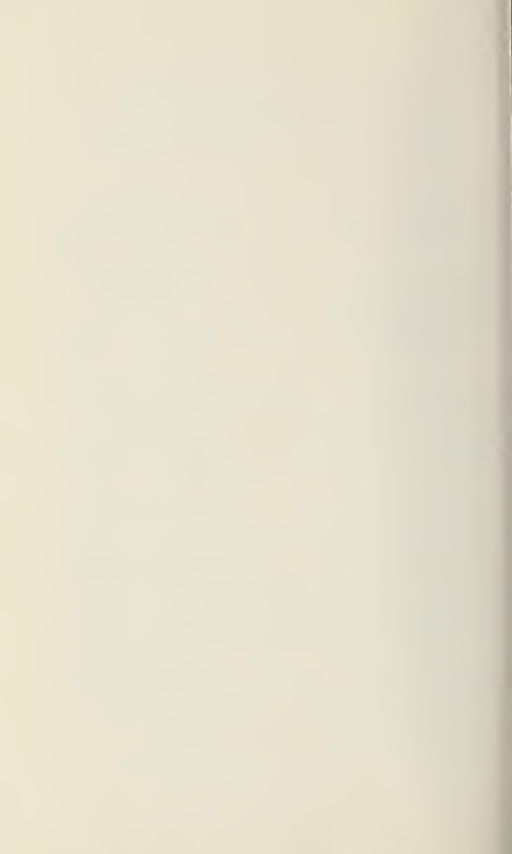
SCHEDULE 2, PAGE 2
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1951 AND 1950

	Fiscal Years Ended June 30,	
	1951	1950
Brought forward	\$20,709,304.46	\$19,229,244.12
Maintenance:		
Repairs—		
Buildings and grounds	\$ 910,999.89	\$ 1,122,193.28
Janitors' equipment	3,276.42	3,139.85
Educational equipment	161,966.77	168,858.26
Fire damage	7,476.85	(477.73)
Miscellaneous	15,024.50	6,853.27
	<u>\$ 1,098,744.43</u>	<u>\$ 1,300,566.93</u>
Auxiliary Services:		
Compulsory education	\$ 131,746.89	\$ 118,159.67
Student placement service	17,677.63	15,466.24
Transportation of children	198,664.80	159,199.31
Cafeteria supervision	46,795.51	37,460.05
Cafeteria maintenance	36,861.60	15,881.44
Miscellaneous	40,397.09	31,837.82
	<u>\$ 472,143.52</u>	<u>\$ 378,004.53</u>
Fixed Charges:		
Rents	\$ 6,974.33	\$ 5,816.33
Insurance	46,912.64	42,634.32
Compensation and accident claims	54,632.21	36,045.49
Contributions to retirement system—		
City	2,626,648.03	2,366,439.55
State	42,546.00	41,430.00
Miscellaneous	9,064.80	22,172.07
	<u>\$ 2,786,778.01</u>	<u>\$ 2,514,537.76</u>
Community Services:		
Recreation program	\$ 105,552.68	
Veterans' counseling	36,625.19	\$ 51,695.03
Civic Center activities	34,960.29	32,212.08
City College dormitories	19,548.45	21,595.95
Free meals (Education Code 16418)	18,222.00	11,464.26
	<u>\$ 214,908.61</u>	<u>\$ 116,967.32</u>
Carried forward	<u>\$25,281,879.03</u>	<u>\$23,539,320.66</u>

SCHEDULE 2, PAGE 3
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1951 AND 1950

	Fiscal Years Ended June 30,	
	1951	1950
Brought forward	\$25,281,879.03	\$23,539,320.66
Tuition Paid to Other Districts	\$ 3,183.64	\$ 5,099.04
Total Direct Expenditures	\$25,285,062.67	\$23,544,419.70
Auxiliary (Indirect) Expenditures:		
Contributed by Board of Health—		
Medical inspection	\$ 76,425.21	\$ 80,382.38
Dental inspection	45,377.92	44,951.67
Nurse service	230,885.79	222,451.00
	\$ 352,688.92	\$ 347,785.05
Total Operating Expenditures — to Exhibit D.....	\$25,637,751.59	\$23,892,204.75
Capital Outlay From Current Funds:		
Land	\$ 1,504,034.50	\$ 235,563.35
Buildings and improvements	243,680.98	764,334.15
Equipment	469,838.99	457,510.89
	\$ 2,217,554.47	\$ 1,457,408.39
Less—		
Sale of land and buildings.....	391,433.20	500,451.00
Net Capital Outlay From Current Funds — To Exhibit D.....	\$ 1,826,121.27	\$ 956,957.39

Note: Expenditures for the fiscal year ended June 30, 1950 have been reclassified, for the purpose of the foregoing schedule, to correspond with the classification of expenditures for the fiscal year ended June 30, 1951.



1,890,000.00	\$30,748.53	\$5,000.00
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LIABILITIES AND SURPLUS			
Total	Encumbrances	Interfund Accounts	Deferred Credits
\$ 3,597,317.72	\$ 755,407.62	\$1,098,720.35	\$ 390,256.32
\$ 124,922.05	\$ 48.00	\$ 91,155.20	\$ 124,874.05
\$43,783,660.04	\$8,721,637.65	\$31,890,000.00	\$3,080,867.19
\$43,908,582.09	\$8,721,685.65	\$91,155.20	\$3,205,741.24
\$ 55,873.38	\$ 279.00	\$ 31,211.08	\$ 24,383.30
254,816.37	72,993.95	31,349.09	39,225.10
143,568.14			
16,030.67			
836.00			
34,218.00			
14,919.01	121.71		
342.20			
201,870.50			
15,175.57			
\$ 737,649.84	\$ 73,394.16	\$ 62,560.17	\$ 601,695.51
\$9,550,487.43	\$1,252,443.72	\$32,274,054.2	\$5,160,370.18

Current Funds	School District	Capital Funds:	Real Property	1948 School Bonds	Special and Trust Funds:
					Special Accumulative Building Fund.
					Child Care Center
					Withholding tax
					County Service
					Teachers' Sabbatical Leave
					Teachers' Permanent Fund
					Teachers' Annuity Deposits
					Veterans' Education
					Cafeteria
					Will C. Steinhilbrunn Bequest

[illegible]

Cash	in Transit	Accounts Receivable
2,754,295.12		\$812,302.17
124,922.05		
11,893,660.04		
12,018,582.09		
55,873.38		
131,540.04		\$12,000.00
31,173.43	\$223,742.94	
836.00		
16,030.67		
17,693.00	16,525.00	
8,800.33	6,118.68	
342.20		
179,396.81		22,473.69
10,175.57		\$34,473.69
431,761.43	\$246,386.62	
15,224,638.64	\$246,386.62	\$816,775.86

Current Funds		
School District	\$ 3,597,317.72	
Capital Funds:		
Real property:	\$ 124,922.05	
1948 School Bonds	\$ 43,783,660.04	
	\$43,908,582.09	
Special and Trust Funds:		
Special Accumulative Building Fund	\$ 55,873.38	
Child Care Center	143,568.14	
Withholding tax	254,816.37	
County Service	836.00	
Teachers' Sabbatical Leave	16,030.67	
Teachers' Permanent Fund	34,218.00	
Teachers' Anniversary Deposits	14,919.01	
Veterans' Education	342.20	
Cafeteria	201,870.50	
Will C. Steinbrunn Bequest	15,175.57	
	\$ 737,649.84	
	\$48,243,549.65	
Total		



EXHIBIT F
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH
FUNDS BALANCE SHEET -- JUNE 30, 1951

ASSETS										LIABILITIES AND SURPLUS									
Proprietary Balance Sheet (Exhibit A)					Funds Balance Sheet (Exhibit E)					Proprietary Balance Sheet (Exhibit A)					Funds Balance Sheet (Exhibit E)				
Deduct:					Deduct:					Deduct:					Deduct:				
Fixed capital properties.....	\$64,176,311.26				Fixed capital—less bonded debt.....	\$64,176,311.26				Fixed capital—less bonded debt.....	\$64,176,311.26				Fixed capital—less bonded debt.....	\$64,176,311.26			
Warrants and payroll deductions outstanding.....	2,624,306.91				Warrants and payroll deductions outstanding.....	2,624,306.91				Warrants and payroll deductions outstanding.....	2,624,306.91				Warrants and payroll deductions outstanding.....	2,624,306.91			
Revolving funds.....	3,050.00				Bonds matured—unpaid.....	4,000.00				Bonds matured—unpaid.....	4,000.00				Bonds matured—unpaid.....	4,000.00			
Bond interest.....	35,842.08				Revolving funds.....	3,050.00				Bond interest.....	35,842.08				Revolving funds.....	3,050.00			
Home Foundation Trust Fund.....	313.00				Bond interest matured—unpaid.....	35,842.08				Home Foundation Trust Fund.....	313.00				Bond interest matured—unpaid.....	35,842.08			
Accounts receivable—tuition.....	385,021.66				Deferred charges.....	10,576,978.44				Accounts receivable—tuition.....	385,021.66				Deferred charges.....	10,576,978.44			
Salary suit repayments.....	15,309.25				Tuition.....	385,021.66				Salary suit repayments.....	15,309.25				Tuition.....	385,021.66			
Deferred charges.....	10,576,978.44				Salary suit repayments.....	15,309.25				Deferred charges.....	10,576,978.44				Salary suit repayments.....	15,309.25			
Rentals.....	25.00				Miscellaneous.....	25.00				Rentals.....	25.00				Miscellaneous.....	25.00			
Bond interest accrued—not due.....					Inter-fund transactions.....					Bond interest accrued—not due.....					Inter-fund transactions.....				
Inter-fund transactions.....					Investments.....					Inter-fund transactions.....					Investments.....				
Inter-fund transactions.....					Investments.....					Inter-fund transactions.....					Investments.....				
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Inter-fund transactions.....					Inter-fund transactions.....					Inter-fund transactions.....					Inter-fund transactions.....				
Inter-fund transactions.....					Inter-fund transactions.....					Inter									

*Denotes deduction.

City and County of San Francisco Employees' Retirement System

(San Francisco, California)



REPORT ON AUDIT
FOR THE FISCAL YEAR ENDED
JUNE 30, 1950

Joseph Froggatt and Co., Inc.

Specialists in All Branches of Insurance Accounting

Consulting Actuaries and Auditors

74 TRINITY PLACE, NEW YORK

November 23, 1951

The Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

Dear Sir:

In accordance with your instructions, we have made an examination of the balance sheet of the City and County of San Francisco Employees' Retirement System as of June 30, 1950, and the related statement of income and disbursements for the fiscal year ended on that date. We present herewith the following statements, together with our comments thereon:

Exhibit "A"—Balance Sheet — At June 30, 1950.

Schedule No. 1 — Investment Bonds — At June 30, 1950.

Exhibit "B"—Statement of Income and Disbursements — For the Fiscal Year Ended June 30, 1950.

SCOPE OF WORK

Our examination was limited to the verification of the assets and liabilities as of June 30, 1950, and a review of the internal control and accounting procedure of the City and County of San Francisco Employees' Retirement System, and without making a detailed audit of the transactions, we have examined or tested their accounting records or other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we deemed necessary.

BALANCE SHEET

Cash on Deposit with Treasurer—\$6,886,257.93:

We have made a complete reconciliation of the cash on deposit as of June 30, 1950 with the records of the Controller's office. The minor differences noted are in process of adjustment.

Bonds Owned—Amortized Value—\$77,764,719.52:

The bonds are held in the joint custody of the Controller and the Treasurer. Bonds owned as of June 30, 1950, as per Exhibit "A", Schedule No. 1 attached hereto, were accounted for by physical examination at the vaults of the Treasurer of the City and County of San Francisco.

The premium or discount at time of purchase is being properly amortized. For the purposes of this report, we did not ascertain the market value of these securities. None of the bonds owned as of June 30, 1950 were in default as to principal or interest.

All bonds owned are of the character legal for insurance companies in the State of California, as provided in Section 159 of the Charter.

Accrued Interest—\$344,104.20:

Accrued interest at June 30, 1950 was independently calculated by us and found to be as set forth on Exhibit "A" of this report.

Due from the City and County of San Francisco—\$1,329,148.86:

This balance consists of the following:

Employees' Contributions Withheld	\$ 352,857.87
Police Department	116,980.23
Due from Special Funds—Compensation Costs	60,140.23
Due from Health Service System	10.50
Due from Special Funds—Survey and Other Administrative Costs	300.00
On Account of Contributions Other than Uniformed Services..	1,769,039.67
	<hr/> \$2,299,328.50

Less:

Unexpended Balance of Tax Appropriation	\$904,105.48
Taxes Receivable—Secured	66,074.16
	<hr/> 970,179.64
	<hr/> \$1,329,148.86

The balances due for Employees' Contributions Withheld and on account of Contributions Other than Uniformed Services represent funds due for the months of February to June, 1950 inclusive, on which the cash transfer had not been made as of June 30, 1950. These transfers, however, had been made at the time of our audit.

The Police Department account of \$116,980.23 represents the balance due on Police \$2.00 contributions paid to Police Relief and Pension Fund prior to January 8, 1932. This account is being reduced at the time of separation, death or retirement of each member in the amount of the contributions plus interest made to the former plan by that individual member.

The balance due from the Special Funds—Compensation Costs, is for current expenditures not reimbursed until after the close of the fiscal year.

The Unexpended Balance of Tax Appropriation in the amount of \$904,105.48 is not refundable to the City and County of San Francisco, in accordance with Section 249, Article 3, Part 1 of the Municipal Code which states in part as follows:

"Funds appropriated annually to the Retirement System, other than from specific fund appropriations, shall first be applied to meet the requirements for fixed charges for current and prior service for the period for which such funds are appropriated, and second shall be applied to meet the accumulated obligations of the City and County to the Retirement System."

Taxes Receivable, Secured—Allocated to Retirement System—\$66,074.16:

This figure was obtained from the Controller's office and is analyzed as follows:

Real Property Taxes, Secured	\$ 66,074.16
Personal Property Taxes, Unsecured	112,332.83
	<hr/> \$178,406.99
Deduct:	
Reserve for Unsecured Personal Property Taxes	112,332.83
	<hr/> \$ 66,074.16

Members' Accumulated Contributions—\$29,783,061.00:

This balance represents the members' accumulated contributions as required by the various sections of the Charter, together with the accumulated interest thereon, and is supported by a listing of the individual members' contribution accounts. Test-audits were made of the postings to the individual members' accounts from the payroll records and withdrawal rolls. In all cases tested, members were found to have been credited with their payroll withholdings and interest compounded as of June 30, 1950 at the rate of two and one-half per cent. An analysis of these accumulated contributions is set forth on Exhibit "A" of this report.

City and County Accumulated Contributions—Current Service—\$29,330,282.43:

This balance represents City and County accumulated contributions for present members not yet retired, together with the accumulated interest thereon as required by the Charter.

In accordance with Charter provisions, no contributions are required of the City and County in connection with additional contributions made by members.

For the fiscal year ended June 30, 1950, interest was computed at the rate of two and one-half per cent, compounded at June 30, 1950.

Total Present Value—All Annuities and Pensions—Current Service \$18,864,635.33:

This account represents the reserves, based on actuarial calculations necessary to provide annuities and pensions for current service to all retired members and beneficiaries receiving allowances, as of June 30, 1950, under the various retirement plans. An analysis of these reserves is set forth on Exhibit "A" of this report.

This reserve is based on individual members' records, showing the amount of contributions accumulated and interest thereon at time of retirement, less all subsequent payments. Retirement payments are made on a guaranteed basis and of necessity some individual members' accounts will reflect that payments exceed the amount of accumulated contributions, while in other cases the accumulated contributions were in excess of the actual payments.

In analyzing the accounts of individual members who died in retirement, we find that their over-all accumulated contributions exceeded the payments to time of death in the amount of \$1,331,796.70 for annuities and \$1,605,063.70 for pensions. These unabsorbed contributions still remain in the amount of \$18,864,635.33 reflected as Total Present Value—All Annuities and Pensions—Current Service. These amounts are retained in the reserve to meet benefit payments to retired members who may live beyond retirement age, as anticipated in the mortality tables then in use.

The actuarial reserve based on current mortality and interest rates is determined periodically, the next computation to be made as of June 30, 1951, as required by law.

This reserve, however, does not include current benefits payable to policemen and firemen under Charter Sections 166, 167, 169 and 170. Payments under these Charter Sections are reimbursed currently as paid.

Compensation Costs Payable—\$6,417.30:

This item represents compensation disbursements made in June, 1950, which were not reimbursed until after the close of the fiscal year.

Death Benefits Left on Deposit by Beneficiaries of Deceased Persons—\$24,745.85:

The above amount represents the balances left on deposit by beneficiaries of deceased members for payment in monthly installments. This account is supported by underlying detail for each individual beneficiary.

Ex-Members' Accumulated Contributions in Suspense—\$23,260.80:

This balance consists in most part of pension warrants issued to a member who, we understand, was elected as an officer of the County after retirement, and declined pension payments. The remaining balance in this account represents warrants issued for withdrawals but never presented for payment.

SPECIAL RESERVES**Undistributed Earnings From Sale of Bonds—\$3,585,263.96:**

These undistributed earnings represent the unabsorbed portion of profit from sale of bonds in prior years. This reserve was created in accordance with Resolutions adopted by the Retirement Board. These earnings are being distributed over the life of the bonds purchased with these proceeds.

An analysis of the undistributed earnings from the sale of bonds follows:

Profit from the sale of bonds:

For the fiscal year ended June 30, 1943	\$ 400,421.35
For the fiscal year ended June 30, 1944	1,418,102.36
For the fiscal year ended June 30, 1945	3,207,543.26

\$5,026,066.97

Less: Profit credited to interest income:

For the fiscal year ended June 30, 1944	\$152,231.40
For the fiscal year ended June 30, 1945	188,839.62
For the fiscal year ended June 30, 1946	314,147.60
For the fiscal year ended June 30, 1947	157,352.61
For the fiscal year ended June 30, 1948	201,230.75
For the fiscal year ended June 30, 1949	209,301.35
For the fiscal year ended June 30, 1950	217,699.68

1,440,803.01

\$3,585,263.96

City and County Accumulated Contributions Reserved for Current Service Benefits

Not Otherwise Funded and Prior Service Benefits—\$2,612,268.61:

City and County accumulated contributions reserved for current service benefits not otherwise funded and prior service benefits consist of City and County contributions released upon withdrawal or death of members who were participants under a matching plan, together with unallocated funds retained by the Retirement System, as provided in Ordinance No. 4203, effective June 30, 1946. These funds are held in accordance with Section 211, (c) 4 of Part 1, Article 3 of the Municipal Code.

From these funds are paid the ordinary death benefits to the beneficiaries of active and retired members under Charter Sections 165, 168 and 171, other than allowances.

Also from these funds is assigned an amount necessary, when added to the City and County accumulated contributions, to provide the reserve for present value of disability retirement pensions—current service, for retired members under Sections 165, 168 and 171 of the Charter.

The amount assigned as of June 30, 1950 was \$1,472,186.64, for the purpose of increasing the reserve under matching plans to an actuarial reserve for the present value of disability retirement pensions—current service, for retired members under Sections 165, 168 and 171 of the Charter.

Contingency Reserve Against Adverse Experience—\$2,161,057.23:

This reserve represents the interest earned on bonds, after amortization charges, in excess of the amounts required to credit all accumulated contributions and reserve accounts with interest at the rates established by the Retirement Board. This fund also includes \$1,440,803.01 of the profits from the sale of bonds in prior years. This reserve was established as a contingency against possible deficiencies in interest of other years, losses under investments and losses under other contingencies. Approval of this procedure was set forth in the Minutes of the Meeting of the Retirement Board held on December 1, 1948.

The increase in this reserve during the year under audit is analyzed as follows:

Interest earned in investments	\$1,784,923.61
Prior years' profits on sale of bonds applied during year	217,699.68
Profit on sale of bonds during current year	686.20
Interest earned on City's debit balances	3,118.45
Miscellaneous income	72.07

\$2,006,500.01

Less: Credits to all accumulated contributions and
reserve accounts

1,820,037.28

Increase during year in contingency reserve

\$ 186,462.73

Adjustments—Reserve Accounts—(\$687.84):

This account represents an accumulation of annual adjustments of differences between individual members' accounts and controls with respect to all active and retired members. The adjustments during the current year aggregated a net debit of \$3,454.00.

INCOME AND DISBURSEMENTS

Members' payroll pension withholdings were set up in accordance with payroll records. Extensive test-checks were made directly from the payroll records and in all cases examined, withholdings were made in accordance with the established rates.

In accordance with the Charter provisions for members remaining under the old matching contribution plan, the City contributed an equal amount. With reference to members under Charter Section 165.2, the City contributed at a percentage basis applied to the members' earnings, exclusive of salaries in excess of \$700.00 per month. These contributions, to the extent of our examination, were collected on the basis of rates established by the Consulting Actuary. As of June 30, 1950 these rates were as follows:

Municipal Railroad	8.893%
Water Department	7.693%
All Other	<u>12.162%</u>

In connection with members of the Police Department, under Charter Section 168.1, the City's contributions were collected at the rate of 26.850%, as of June 30, 1950. Also with members of the Fire Department under Charter Section 171.1, the City's contributions were collected as of June 30, 1950 at the rate of 17.980%.

In addition to the contributions mentioned heretofore, which are required to provide for future current service benefits, included also in the City's contributions are reimbursement of prior and current service benefits paid during the current year to policemen retired under Sections 166 and 167, firemen retired under Sections 169 and 170, and prior service benefits of miscellaneous members died or retired.

The income under other City and County contributions represents reimbursement of actual disbursements for administrative expenses.

Interest on investments includes interest earned, less amortization charges. Profit from the sale of investments during the current year amounted to \$686.20. Interest earned on City and County debit balances amounted to \$3,118.45 and a bequest received from the estate of a deceased member in the amount of \$72.07. These income items and prior years' profits on sale of bonds applied during the year of \$217,699.68 were credited to the accumulated contribution and reserve accounts, with the exception of \$186,462.73. This excess of \$186,462.73 is shown as an increase in the contingency reserve against adverse experience, and is analyzed in a previous paragraph under that caption.

The interest rate of two and one-half percent was used in crediting the accumulated contribution and reserve accounts and individual members' accounts during the fiscal year. This interest rate was established as required by Section 211 of Part 1, Article 3 of the Municipal Code of the City and County of San Francisco, which reads, in part, as follows:

"From time to time, the Board shall determine the rate of interest being earned on the Retirement Fund. Upon the basis of all or any of such investigation, valuation and determination, the Board shall:
(1) Adopt for the Retirement System such interest rate and such mortality, service and other tables, or any of such items, as shall be deemed necessary."

All withdrawals by members included in our test-examination were in agreement with the members' individual accounts and included the interest thereon to date.

All payments of allowances and benefits included in our test-examination were correctly computed in accordance with the provisions of the Charter and approved formulae, and were properly supported by documents and other necessary data.

An analysis of allowances and benefits paid during the fiscal year ended June 30, 1950, follows:

Service retirements	\$3,282,886.47
Disability retirements	912,142.50
Death allowances	410,883.12
Death benefits to members' beneficiaries	464,729.32
Death benefits to retired members' beneficiaries	104,647.08
	<hr/>
	\$5,175,288.49

COMPENSATION DIVISION

Reflected on the Balance Sheet, Exhibit "A" of this report, is a non-ledger asset in the amount of \$819,406.32, which represented the estimated contributions due from the City and County of compensation claims pending at June 30, 1950. There is also reflected on the liability side of this statement a reserve for a corresponding amount. This figure is based on estimates developed by the Compensation Division and was not verified by us.

Also reflected on the Statement of Income and Disbursements, Exhibit "B", as income, are City and County contributions in the amount of \$350,127.66 which represents reimbursement for compensation claims. This amount is offset by actual disbursements as reflected on Exhibit "B" as follows:

Actual compensation costs paid—applicable to fiscal year 1949-1950....	\$350,127.66
Less: Expenditure incurred but not paid until 1950-1951	6,417.30
	<hr/>
	\$343,710.36
Plus: Expenditures incurred during year 1948-1949, paid in	
1949-1950	5,734.20
	<hr/>
	\$349,444.56

GENERAL

We acknowledge the cooperation extended to us by the staff of the San Francisco City and County Employees' Retirement System and the Controller's office during our examination.

OPINION

In our opinion, the accompanying balance sheet and statement of income and disbursements, together with the foregoing comments, present fairly the financial condition of the City and County of San Francisco Employees' Retirement System at June 30, 1950, and the result of its operation for the fiscal year then ended, and is in conformity with generally accepted accounting principles and practices consistently applied to the period under review.

Respectfully submitted,

JOSEPH FROGATT & CO., INC.

Public Accountants and Auditors

By Joseph Frogatt, Jr., C.P.A. (Cal.)
President.

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES RETIREMENT SYSTEM

(San Francisco, California)

BALANCE SHEET

At June 30, 1950

LIABILITIES

Members' Accumulated Contributions:	
Normal Contributions—Miscellaneous	\$25,787,922.30
Normal Contributions—Police	2,856,947.61
Normal Contributions—Fire	318,803.67
Additional Contributions	819,387.42
City and County Accumulated Contributions—Current Service	29,330,282.43
Present Value of Service Retirement Annuities—Current Service	\$4,433,457.94
Present Value of Service Retirement Pensions—Current Service	8,596,759.21
Present Value of Disability Retirement Annuities—Current Service	\$13,030,217.15
Present Value of Disability Retirement Pensions—Current Service	8,596,759.21
Present Value of Disability Retirement Annuities—Current Service	\$693,717.93
Present Value of Disability Retirement Pensions—Current Service	
Retired Members:	
Miscellaneous	3,350,518.74
Police 168.1	858,148.35
Fire 171.1	232,351.83
Present Value of Death Allowances—Current Service:	
Annuities Granted on Account of Deceased Members	\$79,149.44
Pensions Granted on Account of Deceased Members	620,531.89
Total Present Value—All Annuities and Pensions—Current Service	18,864,635.33
Compensation Costs Payable	6,417.30
Death Benefits Left on Deposit by Beneficiaries of Deceased Members	24,745.85
Ex-Members' Accumulated Contributions in Suspense	23,260.80
SPECIAL RESERVES	\$78,032,402.71
Undistributed Earnings from Sale of Bonds	\$3,585,263.96
City and County Accumulated Contributions Received for Current Service Benefits not Otherwise Funded and Prior Service Benefits	2,612,268.61
Contingency Reserve Against Adverse Experience	2,161,057.23
Adjustments—Reserve Accounts	(687.84)
COMPENSATION DIVISION	\$86,390,304.67
Reserve for Compensation Insurance Claims Pending	819,406.32
June 30, 1950 (Contra)	
	\$87,209,710.99

ASSETS

Cash	\$6,886,257.93
Bonds Owned (Amortized Value)	77,764,719.52
Accrued Interest	344,104.20
Due from City and County of San Francisco	1,329,148.86
Taxes Receivable, Secured—Allocated to Retirement System	66,074.16
Total Ledger Assets	\$86,390,304.67
COMPENSATION DIVISION	
Estimated City and County Contributions Necessary to Meet Outstanding Compensation Claims Pending (Contra)	819,406.32

\$87,209,710.99

**CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM**

(San Francisco, California)

INVESTMENT BONDS

At June 30, 1950

	Par Value	Amortized Value
United States Government	\$57,414,000.00	\$57,711,009.22
California Municipalities, School Districts, etc.	7,315,937.50	7,104,033.73
Municipalities—Other than California	3,267,000.00	3,511,800.15
Railroad	330,000.00	328,872.66
Public Utilities	8,980,000.00	9,109,003.76
	<u>\$77,306,937.50</u>	<u>\$77,764,719.52</u>

Subject to comments attached to and forming part of this report.

EXHIBIT "A"

Schedule No. 1

**CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)
STATEMENT OF INCOME AND DISBURSEMENTS
For the Fiscal Year Ended June 30, 1950**

Subject to comments attached to and forming part of this report.
EXHIBIT "B"

Ledger Assets at July 1, 1949		\$73,711,333.59	\$92,672,501.27
Total Income and Ledger Assets (Brought Forward)			
DISBURSEMENTS			
Accumulated Contributions Withdrawn		\$ 562,137.94	
Allowances and Benefits Paid:			
From Members' Reserves	\$ 924,840.54		
From City and County Reserves	1,467,310.38		
Paid Currently by City and County	2,783,137.57		
5,175,288.49			
Administrative Expenses	162,657.47		
9,361.84			
Monthly Installments to Beneficiaries	875.30		
Paid from Outside Source for Special Survey			
Credit to \$2.00 Accumulated Contributions Due from City and County	22,431.00		
\$ 5,932,752.04			
Total Disbursements			
Balance—Ledger Assets—June 30, 1950			
\$86,390,304.67			
Total Disbursements			
\$ 6,282,196.60			
349,444.56			
Net Payments	\$158,571.29		
Subrogation Recoveries	\$12,228.23		
Weekly Benefits	\$170,799.52		
Medical Expenses	175,870.09		
Premiums	7,609.28		
Administrative Expenses	16,612.08		
\$370,890.97			
\$21,446.41			
\$349,444.56			
Total Disbursements			
\$86,390,304.67			
Total Income and Ledger Assets (Brought Forward)			
\$92,672,501.27			
INCOME			
Members' Contributions:			
Normal Contributions	\$4,484,650.59		
Miscellaneous Members	485,009.83		
Police 168.1	336,419.64		
Fire 171.1	5,306,080.06		
29,486.02			
118,775.51			
5,454,341.59			
City and County Contributions:			
Current Service Reserves:			
Miscellaneous Members	\$5,938,462.75		
Police 168.1	1,642,616.30		
Fire 171.1	818,593.01		
8,399,672.06			
Current Service Benefits:			
Firemen	\$ 441,456.30		
Policemen	127,012.36		
568,468.66			
Prior Service Benefits:			
Miscellaneous	\$ 622,046.43		
Firemen	1,072,455.52		
Policemen	545,716.41		
2,240,218.36			
11,208,359.08			
162,657.47			
1,784,923.61			
686.20			
72.07			
Total Income and Ledger Assets			
\$92,672,501.27			

Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1952



Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1952



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JUNE 30, 1952

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REPORT AND FINANCIAL STATEMENTS
JUNE 30, 1952**

By Price, Waterhouse & Co.

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CONTROLLER
Centralized financial planning,
control and management,
auditing and systems.

CHIEF ASSISTANT CONTROLLER

SECRETARIAL STAFF

Correspondence and Reports, Stop
Notices, Assignments, Surety Bonds,
Records & Procurement (Contr. Office)
Claims Register, Ordinances and
all city contracts.

LEGAL DIVISION

Counsel
Interpretation of Law
Proposed Legislation

GENERAL AUDITS

Monthly audit of Treasurer's Office.
Periodical audits of Departments
System design and installation
Special investigations.

ACCOUNTS-STATISTICS

Proprietary Ledger-Property Ledger
Expense Ledger - Bond Interest and
Redemption audit and control -
Fund Ledger - General Journal -
Reporte - State Settlements -
Extension and audit of Tax Rolls

UTILITY AUDITS

Audit-System Design & Installation
Special Investigations-P.U.C. Gen'l.
Office, Bur. Lt. Ht. Pwr., Municipal
Wtr. Dept., Hetch Hetchy Water
Supply, Hetch Hetchy Power Operative
Airport, All Fed. Aid Projects

BUDGET CONTROL

Audit and analysis of budget
estimates and operating budget.
Preparation of Budget Statistics,
Consolidated Budget, Estimated
Revenues, Annual Approp. Ordinance

GENERAL OFFICE

REVENUES
ENCUMBRANCES
DISBURSEMENTS

REVENUES

Revenue Research and Statistics
Approval of deposits with Treasurer
Stationery Control of fees
receipts, badges and other
numbered revenue forms.
Audit of licenses and fees
Tax Apportionment
Cash position
Trust Accounts

ENCUMBRANCES

Audit, Reconciliation and
Certification of:
Purchase Orders
Contracts
Orders for Work (Inter-dept)
Work Orders
Service Orders
Court Orders
Judgments
Claims

APPROPRIATION LEGER

Revenues
Appropriations
Allotments
Encumbrances
Disbursements

GENERAL

DISBURSEMENTS

AUDIT

Authority
Legality
Specifications
Prices
Terms
Material
received
reports

VOUCHERS

Typing,
numbering
and
mailing

PAYROLL RELEASE

Process and release of
warrants to departments
and banks, timetables
(Contr. Office) Disburse-
tion of expenditures,
maintain file for judgments,
power of attorney, "Holder"

WARRANT REGISTER

Verification of Paid Warrants
Reconciliation of
Outstanding Warrants

PAYROLL DIVISION

Audit and preparation of all timetables,
payrolls and salary and pension warrants;
State and Federal income tax records;
Maintain accounting controls over all
payrolls and all authorized deductions;
preparation of Aid rolls and warrants

SOCIAL
SERVICE

Audit of
Aid Claims
Needy Aged
Widows Pensions
Feeble Minded
State Schools
Criminal Insane
Narcotics
Maintenance
of Minors

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

October 17, 1952

To His Honor, the Mayor, and the Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1952, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Price, Waterhouse & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Touche, Niven, Bailey & Smart.

Municipal Railway, by L. H. Penny & Co.

San Francisco School Department, by Lindquist, Von Husen & Joyce.

Employees Retirement System, for the fiscal year ended June 30, 1951,

by Joseph Proggatt & Co.

Employees Retirement System, for the fiscal year ended June 30, 1952,

by Farguhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Respectfully submitted,

H. D. Ross,

Controller.

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF REVENUES
Fiscal Years 1942-43 to 1951-52

Fiscal Years 1942-43 to 1951-52

FISCAL YEAR ENDED JUNE 30

	1952 (a)	1951 (a)	1950 (a)	1949	1948	1947	1946	1945	1944	1943	Revenues through State of California:											
Property Taxes and Penalties.....	\$ 70,505,833	\$ 66,500,390	\$ 60,699,377	\$60,358,807	\$60,358,807	\$51,429,241	\$47,214,061	\$41,189,093	\$39,425,735	\$36,736,197	\$37,459,990	Shared State Taxes:										
Retail Purchase and Use Tax.....	4,293,011	5,045,495	4,667,068	4,667,018	4,667,018	3,507,328	3,096,519	2,434,529	2,054,564	1,724,472	1,796,391	Departmental Revenues.....										
Interest Earned.....	6,182,217	6,499,076	5,583,159	5,223,205	4,071,272	3,774,663	3,096,519	2,434,529	2,054,564	1,724,472	1,796,391	Kents, S. F. Unified School District.....										
Contributions from Water Department.....	338,655	361,303	371,262	401,066	387,650	389,311	387,863	386,169	370,470	103,803	875,121	Contributions from Capital Funds.....										
Cash Transferred from Trust Fund.....	369,254	223,845	537,093	263,786	6,500	94,200	8,550	3,500	300	373	373	Cash Transferred from Trust Fund.....										
Housing Authority—In lieu of taxes.....	326,222	392,037	372,387	274,457	418,318	409,109	405,874	359,579	71,870	Miscellaneous.....										
Transfer from School Cafeteria Fund.....	7,854,639	8,015,338	7,374,664	6,673,819	5,027,961	5,037,279	5,599,482	4,399,174	4,420,463	2,759,334	2,759,334	Transfer from School Cafeteria Fund.....										
												Revenues through State of California:										
												Shared State Taxes:										
												Motor Vehicle Fuel Tax:										
												Special Road Improvement Fund.....										
												Motor Vehicle License Fees.....										
												Motor Vehicle Registration Fees.....										
												Alcohol Beverage License Subsidy.....										
												State and Federal Grants-in-Aid:										
												Maintenance of Minors.....										
												Aid to Needy Children.....										
												Aid to Needy Blind.....										
												Aid to Needy Aged.....										
												Adoption Program.....										
												Inspection Services—Needy Aged and Children.....										
												Tuberculosis Aid Subsidy.....										
												Aid for Elementary Schools.....										
												Aid for High Schools.....										
												Aid for City College.....										
												County School Service Fund.....										
												Federal Aid to Schools.....										
												Child Care Center.....										
												Teachers' Retirement.....										
												Waterfront Expense Subsidy.....										
												Civilian War Assistance.....										
												Fire Boat Subsidy.....										
												94,334.86										
												13,869.22										
												54,270.33										
												19,316.14										
												24,692.00										
												85,598.21										
												29,686.74										
												27,270.00										
												12,325.00										
												50,000.00										
												50,000.00										
												50,000.00										
												75,000.00										
												91,542										
												94,945										
												111,061										
												93,437										
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CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1942-43 to 1951-52

FISCAL YEAR ENDED JUNE 30

	1943	1944	1945	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)
Public Safety	\$ 4,017,123.70	\$ 4,170,178.01	\$ 4,604,101.27	\$ 5,121,793.30	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034
Highways	1,364,362.04	1,386,627.95	1,649,035.34	1,870,110.94	1,473,382.64	1,709,206.37	1,922,531.04	2,046,428	1,963,287	1,950,737
Sanitation and Waste Removal	1,099,575.42	1,252,170.42	1,283,185.36	1,343,903.46	1,842,717.46	1,929,911.11	2,118,572.33	2,141,219	2,147,014	2,569,934
Conservation of Health	805,063.46	866,933.90	1,013,418.90	1,071,950.33	1,375,165.57	1,615,711.13	1,892,336.02	2,088,305	2,123,358	2,390,449
Hospitals	3,009,897.72	3,422,944.33	3,746,156.85	3,871,672.83	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352	6,696,240	7,761,571
Charities	8,526,659.14	9,185,570.17	9,178,855.23	9,054,016.99	10,177,329.89	11,707,740.52	8,595,660.80	10,882,610	20,859,900	20,821,665
Correction	406,604.44	470,283.40	537,241.18	647,779.55	828,720.40	979,876.16	1,018,600	1,080,704	1,251,296	1,251,296
Schools	10,689,884.92	11,146,572.07	12,499,265.80	12,809,969.37	16,101,288.59	19,136,880.47	21,219,221.03	23,016,066	24,390,445	26,798,540
Libraries	396,335.77	453,558.00	503,403.04	509,678.71	654,835.86	695,706.78	772,215.21	802,652	825,926	923,544
Recreation	2,558,841.58	2,830,808.41	3,131,526.97	3,454,570.99	4,221,776.93	4,737,851.59	5,276,553.38	5,296,062	4,753,800	4,932,813
Total Departmental Expenditures	\$40,159,585.75	\$43,169,626.38	\$46,677,509.49	\$48,402,476.82	\$58,452,825.60	\$68,103,337.83	\$71,102,986.83	\$ 76,950,480	\$ 88,518,467	\$ 95,677,549
Bond Redemptions	\$ 3,290,100.00	\$ 3,290,100.00	\$ 2,915,000.00	\$ 2,915,000.00	\$ 3,115,000.00	\$ 3,015,000.00	\$ 4,189,000.00	\$ 4,639,000	\$ 5,098,000	\$ 5,383,000
Other Interest	1,557,787.83	1,415,075.18	1,274,056.66	1,152,044.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,335,016	1,367,580
Pensions and Compensation Insurance	2,631,942.56	2,874,331.99	3,209,339.74	3,919,551.29	4,457,047.00	7,519,358.77	8,255,240.80	10,516,145	10,918,329	11,880,452
Judgments and Losses	39,570.42	38,829.22	95,846.47	17,947.98	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749
Contributions to Public Service Enterprises:										
Hetch Hetchy Project	2,073,920.99	2,146,434.46	1,920,207.82	2,079,484.21	6,836,06*	1,504,236.56	2,461,249.14	2,966,290	2,996,780	1,712,594
Municipal Railway	385,466.17	373,694.72	341,688.90	420,332.69	891,489.22	1,504,236.56	2,461,249.14	2,966,290	2,996,780	1,712,594
Airports										
Public Utilities Commission:										
Light, Heat and Power Bureau	1,147,720.68	570,204.45	1,043,588.06	2,121,018.17	2,733,964.71	2,986,764.38	1,022,824.77	28,679	213,740	65,136
Capital Additions From Revenues	695,311.27	724,089.46	302,113.94	132,717.60	31,188.55	22,893.96	4,103,630.48	5,034,158	7,297,801	3,621,951
Civilian Defense	131,000.00	97,950.12	85,905.48	146,192.85	198,210.00	181,598.36	170,342.08	171,825	190,383	169,133
Contributions to Other Civil Divisions										
Sponsors Contributions to P.W.A. Projects	498,803.72*	540,275.61	469,271.83	1,526,953.21	2,432,511.38	733,508.34	1,817,305.93	140,910*	274,018	
Miscellaneous, not										
Total Expenditures	\$51,694,083.01	\$55,274,433.83	\$58,355,112.02	\$62,900,768.02	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674

*Denotes Credit.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
STATEMENT OF OPERATIONS
Fiscal Years 1942-43 to 1951-52

	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952
Water Sales	\$8,235,668.86	\$8,367,222.01	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94
Operating Expenses:										
Provision for Depreciation	972,746.92	984,484.87	988,986.46	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58
Other Operating Expenses	2,878,890.49	3,016,691.23	3,150,174.09	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53
Profit and Operations	\$3,851,637.41	\$4,001,176.10	\$4,139,160.55	\$4,146,198.39	\$7,480,106.64	\$7,686,806.75	\$8,222,348.54	\$7,337,690.49	\$7,312,410.96	\$7,461,350.11
Other Income	136,295.72	146,623.43	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11
Other Expenses:										
Interest on Bonded Debt	\$1,516,863.35	\$1,449,343.31	\$1,381,823.34	\$1,314,303.33	\$1,246,783.33	\$1,179,263.34	\$1,111,743.33	\$1,052,577.44	\$984,957.50	\$928,586.17
Other	35,445.14	34,684.40	36,563.64	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01
Net Income	\$1,552,308.49	\$1,484,027.71	\$1,418,386.98	\$1,361,940.72	\$1,305,284.84	\$1,219,290.59	\$1,162,623.25	\$1,097,016.87	\$1,029,832.03	\$993,734.18
	\$2,968,018.68	\$3,028,641.63	\$2,971,383.53	\$4,700,974.89	\$1,944,733.47	\$1,888,394.85	\$1,792,976.12	\$1,918,043.36	\$2,698,837.89	\$3,209,919.76

FISCAL YEAR ENDED JUNE 30

FISCAL YEAR ENDED JUNE 30

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CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1942-43 to 1951-52

FISCAL YEAR ENDED JUNE 30

	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952
Revenues	\$5,617,368.12	\$6,713,700.75	\$15,119,772.51	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37
Operating Expenses:										
Depreciation	415,961.68	710,280.90	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44
Other Operating Expenses	4,318,024.23	5,068,178.86	12,161,011.97	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72
	\$4,733,985.91	\$5,778,459.76	\$12,987,027.52	\$16,124,018.00	\$19,557,473.66	\$19,627,403.21	\$20,848,597.61	\$20,678,077.13	\$19,537,887.03	\$21,038,451.16
Profit from Operations.....	883,382.21	935,240.99	2,132,744.99	1,320,914.19	518,718.13*	1,303,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*
Other Income	14,748.85	9,346.45	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	339,890.20	24,243.33
	\$ 898,131.06	\$ 944,587.44	\$ 2,142,272.17	\$ 1,326,274.14	\$ 467,039.90*	\$ 1,295,301.99*	\$ 2,243,436.71*	\$ 1,815,592.12*	\$ 1,149,019.54*	\$ 2,771,854.46*
Other Expenses:										
Interest on Market Street Railway purchase	52,083.33	47,083.34	42,083.33	119,808.08	85,721.02	30,727.50	107,194.70	259,419.92	284,605.13	287,001.45
Interest on Bonded Debt.....	52,083.33	47,083.33	42,083.33	37,083.33	32,083.34	64,725.99	137,716.09	96,784.97	58,471.67	345,473.12
Other	\$ 52,083.33	\$ 47,083.33	\$ 168,987.44	\$ 234,976.70	\$ 117,804.36	\$ 298,379.51	\$ 244,910.88	\$ 259,419.92	\$ 381,390.10	\$ 3,117,327.58*
Net Income	\$ 846,047.73	\$ 897,504.10	\$ 1,973,284.73	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,073,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT
STATEMENT OF OPERATIONS
Fiscal Years 1942-43 to 1951-52

	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952
Revenues:										
Landing Charges	\$ 16,375.00	\$ 19,057.50	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$ 118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92
Rentals	23,621.36	27,769.77	33,779.55	43,199.02	98,219.64	143,041.93	98,308.75	118,759.03	133,241.60	157,800.59
Other	2,782.09	4,057.30	7,445.96	17,668.14	99,430.73	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80
Operating Expenses:										
Depreciation	201,205.99	201,719.74	209,406.13	214,777.76	434,979.48	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45
Other Operating Expenses	81,487.48	91,006.06	122,568.14	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31
Loss from Operations	239,915.02	241,841.23	258,184.06	253,348.27	401,875.23	460,964.74	720,236.45	698,845.10	759,488.97	585,068.45
Other Income	9,975.39	9,670.22	10,552.81	12,727.07	18,933.88	25,907.75	30,183.17	25,353.19	33,725.10	31,936.16
Interest on Bonded Debt	229,339.63	232,171.01	247,631.25	240,621.20	382,941.35	435,056.99	690,051.28	673,491.91	725,763.87	553,132.29
Other Expense	29,389.17	26,172.04	20,959.33	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68
Net Loss	\$259,328.80	\$258,343.05	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$ 796,441.82	\$ 761,076.44	\$ 849,145.50	\$ 702,375.10

FISCAL YEAR ENDED JUNE 30



CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES

For the 10 Year Period July 1, 1942 to June 30, 1952

BALANCES JUNE 30, 1952

INCREASE OR DECREASE*

General Government:				BALANCES JUNE 30, 1952				BALANCES JULY 1, 1942			

CITY AND COUNTRY OF SAN FRANCISCO ADDITIONS TO PROPERTIES—BY SOURCE OF FUNDS For the 10 Year Period July 1, 1942 to June 30, 1952

Source of Funds:	Source of Funds:			
	Current Funds:	General Fund	Recreation and Park	Library
War Memorial				
California Palace Legion of Honor				
de Young Memorial Museum				
Special Road Improvement				
Special Gas Tax Street Improvement				
San Francisco Unified School District				
Special Accumulative Building Fund—Schools				
Capital Funds:				
Real Property, General City	\$ 890,330.81*	\$ 642,790.22*	\$ 157,540.59*	\$ 157,540.59*
Real Property, S. F. U. S. D.	47,259.92*	70,016.00	117,275.92*	117,275.92*
1927 Boulevard's Bond Fund	102,643.44	1,127.52	101,515.92	101,515.92
1927 Bernal Cut Bond Fund	1,311.94		1,311.94	1,311.94
1929 Sewers Bond Fund	1,306.03		1,306.03	1,306.03
1929 Hospitals Bond Fund	7,901.65		6,850.00	6,850.00
1931 Parks and Squares Bond Fund	2,159.58		2,159.58	2,159.58
1933 Sewers Bond Fund	1,359.17	42.50	1,316.67	1,316.67
1933 High Pressure Bond Fund	207.65*		181.41*	181.41*
1938 Schools Bond Fund	7,292.54		4,500.93	4,500.93
1942 Fire Protection Bond Fund	862,585.54	16,222.00	98,344.97	1,821.69
1944 Sewers Bond Fund	18,936,214.39	1,654,800.62	17,277,544.69	748,018.57
1944-48 Juvenile Home and Court Bond Fund	4,209,622.73		4,152,104.43	57,518.30
1947 Street Improvement Bond Fund	10,505,868.77	303,009.02	10,199,592.90	3,266.85
1947 Recreation Bond Fund	5,092,321.01	859,178.80	4,131,750.19	101,392.02
1948 Schools Bond Fund	12,513,360.16	655,370.00	11,281,001.43	576,988.73
1948 Sewage Treatment Bond Fund	10,121,650.84	48,581.94	10,045,864.02	27,204.88
1947 Off-Street Parking Bond Fund	687,356.95	685,989.77	1,367.18	
Miscellaneous	47,597.80*	47,597.80*		
Trust Funds:				
State Highway Trust	\$ 2,498,780.56	\$ 643,655.49	\$ 1,855,125.07	
San Francisco Bay Exposition Co.	80,967.00		80,967.00	
Retirement System	20,231.76	15,525.00	4,000.00	
Sigmond Stern—Donation	15,000.00			
Metropolitan Life Insurance Co.—Donation	20,000.00	20,000.00		
Other Trust Funds	100.00	100.00		
Total Additions	\$ 2,635,079.32	\$ 694,280.49	\$ 1,940,092.07	\$ 706.76
	\$94,766,746.19	\$12,092,772.82	\$74,479,175.99	\$8,194,797.38

*Denotes decrease.

Buildings, Structures and Improvements
 Land
 Total
 Equipment

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1942-43 to 1952-53

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem	Rate	Solvent Credits Taxed to Total Roll
1942-43	Unsecured—City and County Assessor.....	301,953,723	358,549,932	8,074,881	7,472,254	661,106,262	4.48	181,984,678	264,031,703
	Secured—State Board of Equalization.....	15,350,210	40,765,910	32,143,990		88,260,110	4.48	65,825,540	154,085,650
	Total.....	\$317,303,933	\$399,315,842	\$122,265,876	\$ 7,472,254	\$ 881,413,397		\$260,499,393	\$1,091,906,790
1943-44	Unsecured—City and County Assessor.....	297,567,134	361,878,165	9,901,885	7,450,642	661,866,542	4.36	241,962,320	324,292,565
	Secured—State Board of Equalization.....	14,843,520	41,293,890	32,631,960		88,769,370	4.36	87,100,960	175,870,330
	Total.....	\$312,410,654	\$403,172,055	\$124,865,067	\$ 7,450,642	\$ 832,997,134		\$343,224,623	\$1,176,221,757
1944-45	Unsecured—City and County Assessor.....	296,176,585	366,358,175	92,459,287	7,729,916	662,628,031	4.69	256,383,063	348,842,350
	Secured—State Board of Equalization.....	14,344,980	41,092,340	32,916,780		88,354,100	4.69	12,540,908	675,168,939
	Total.....	\$310,521,565	\$407,450,515	\$133,105,983	\$ 7,636,645	\$ 843,441,418		\$348,939,431	\$1,192,380,849
1945-46	Unsecured—City and County Assessor.....	295,953,215	371,683,405	5,884,172	8,684,634	664,836,158	4.83	306,612,656	404,795,294
	Secured—State Board of Equalization.....	11,365,640	40,280,850	31,957,690		63,604,080	4.83	52,758,150	136,362,230
	Total.....	\$307,318,855	\$411,964,255	\$136,024,400	\$ 8,684,634	\$ 846,622,876		\$370,051,995	\$1,216,674,871
1946-47	Unsecured—City and County Assessor.....	297,150,419	379,741,290	5,517,536	16,967,838	666,441,407	5.55	9,112,900	674,554,307
	Secured—State Board of Equalization.....	11,291,570	41,736,690	32,055,820		85,084,080	5.55	62,005,210	147,089,290
	Total.....	\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$ 860,706,141		\$363,081,193	\$1,223,787,334
1947-48	Unsecured—City and County Assessor.....	304,975,992	403,718,630	4,811,461	4,464,748	678,606,691	5.62	328,381,741	474,376,882
	Secured—State Board of Equalization.....	11,441,450	43,692,360	33,667,940		89,096,750	5.62	32,033,180	121,129,930
	Total.....	\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182		\$368,193,847	\$1,281,812,029
1948-49	Unsecured—City and County Assessor.....	333,507,884	426,662,240	176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581
	Secured—State Board of Equalization.....	11,566,170	49,385,230	35,695,010		96,646,410	6.09	33,209,320	129,855,730
	Total.....	\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,430,183,126
1949-50	Unsecured—City and County Assessor.....	338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	6.09	413,302,218	598,014,362
	Secured—State Board of Equalization.....	11,634,050	60,888,540	40,147,320		112,470,110	6.09	34,463,430	146,933,540
	Total.....	\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,039,293
1950-51	Unsecured—City and County Assessor.....	338,466,080	468,437,890	174,987,855	2,460,275	172,527,080	5.66	446,486,945	619,486,225
	Secured—State Board of Equalization.....	11,594,320	64,845,380	38,418,540		114,558,240	6.29	41,805,700	156,663,940
	Total.....	\$350,080,400	\$533,283,270	\$223,779,507	\$43,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343
1951-52	Unsecured—City and County Assessor.....	340,439,080	492,967,440	199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,095
	Secured—State Board of Equalization.....	15,762,340	66,620,930	41,853,110		124,236,380	6.19	58,641,660	182,878,040
	Total.....	\$356,201,420	\$559,588,370	\$254,433,880	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,685
1952-53	Unsecured—City and County Assessor.....	348,660,965	530,992,235	220,812,645	2,086,937	218,725,708	6.19	571,044,856	789,771,664
	Secured—State Board of Equalization.....	16,714,810	67,703,770	44,590,910		129,009,490	5.67	50,655,040	179,664,530
	Total.....	\$365,375,775	\$598,696,005	\$278,198,886	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170



CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES

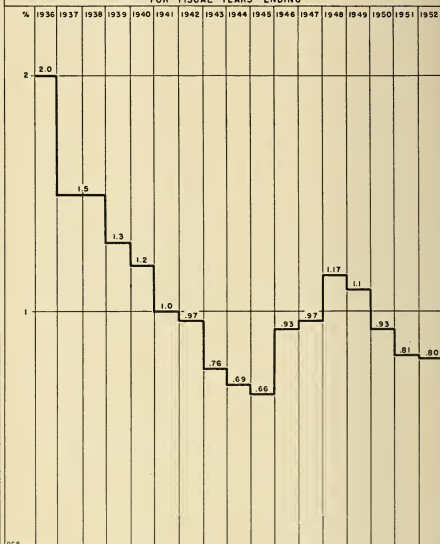
Fiscal Years 1931-32 to 1951-52

Fiscal Year	Amount of Levy	Uncollected at June 30		Uncollected at June 30, 1952	
		Amount	%	Amount	%
1931-32.....	\$32,714,462.72	\$ 718,830	2.20	\$ 44,370*	.14
1932-33.....	31,752,725.86	1,706,581	5.37	229,768	.72
1933-34.....	26,583,269.62	1,316,809	4.95	161,206	.61
1934-35.....	28,808,182.68	958,096	3.33	26,770	.09
1935-36.....	30,634,662.45	612,784	2.00	24,444	.08
1936-37.....	30,986,643.33	449,704	1.45	20,808	.07
1937-38.....	31,994,074.61	483,081	1.50	30,684	.10
1938-39.....	33,337,811.68	442,132	1.32	19,331	.06
1939-40.....	32,575,922.01	390,407	1.19	27,637	.08
1940-41.....	35,162,784.71	367,339	1.04	42,819	.12
1941-42.....	36,469,224.70	354,994	.97	67,323	.18
1942-43.....	37,469,083.07	288,158	.76	61,976	.17
1943-44.....	36,797,770.96	254,508	.69	49,737	.14
1944-45.....	39,647,406.19	262,652	.66	34,656	.09
1945-46.....	41,184,389.39	380,975	.93	42,533	.10
1946-47.....	47,374,327.51	457,779	.97	59,642	.13
1947-48.....	51,718,353.83	602,680	1.17	112,822	.22
1948-49.....	60,779,269.51	669,631	1.10	164,057	.27
1949-50.....	60,858,563.25	567,617	.93	165,344	.27
1950-51.....	66,522,057.12	537,393	.81	213,217	.32
1951-52.....	70,596,215.05	561,703	.80	561,703	.80

* Includes delinquent taxes for 1931-32 and those of prior years.

CITY AND COUNTY OF SAN FRANCISCO
PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING



D.C.P.

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1952-53

	Valuation	Tax Yield	Rate per \$100
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements.....	\$ 879,653,200		
Tangible Personal Property.....	12,794,831		
Less Veterans' and Welfare Exemptions	44,981,574		
	847,466,457	\$48,051,532.94	5.67
Solvent Credits	8,388,619	8,387.82	.10
Total	855,855,076	48,059,920.76	
Unsecured Personal Property (Collected):			
Tangible Personal Property.....	117,677,563		
Less Veterans' and Welfare Exemptions	1,718,538		
	115,959,025	7,178,401.94	6.19
Solvent Credits	422,438,731	422,446.42	.10
Total	538,397,756	7,600,848.36	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property.....	103,135,082		
Less Veterans' and Welfare Exemptions	368,399		
	102,766,683	6,361,359.03	6.19
Solvent Credits	148,607,125	148,609.42	.10
Total	251,373,808	6,509,968.45	
Total Assessed by City and County Assessor	1,645,626,640		
Taxes on property assessed by State Board of Equalization:			
Real Estate and Improvements.....	84,418,580		
Tangible Personal Property.....	44,590,910	7,314,838.70	5.67
Solvent Credits	50,655,040	50,655.04	.10
Total Assessed by State Board of Equalization	179,664,530	7,365,493.74	
Total of above Assessments.....	\$1,825,291,170		
Total Tax Yield 1952-53.....		69,536,231.31	
Reassessments		1,226.88	
TOTAL TAX YIELD.....		\$69,537,458.19	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AT JUNE 30, 1952

Maximum Limit:

12% of 1952-53 Assessment Roll (\$1,825,291,170) \$219,034,940

Bonded Debt Not Matured June 30, 1952:

Total	\$187,743,000	
Exempt from 12% Limit (a)	78,438,000	109,305,000

Limit of Future Bond Sales (Subject to 12% limit)	\$109,729,940
---	---------------

Unissued (Unsold) Bonds, June 30, 1952:

	Total	Exempt from 12% Limit	Subject to 12% Limit
1947 Street Improvement	\$ 8,950,000		\$ 8,950,000
1947 Off-Street Parking	4,000,000		4,000,000
1947 Recreation	6,270,000		6,270,000
1948 Sewage Treatment	2,450,000		2,450,000
1948 Schools	22,790,000		22,790,000
1949 Airport	1,000,000		1,000,000
1947 Hetch Hetchy Water	1,700,000	1,700,000	
1949 Cherry Valley Dam	3,000,000	3,000,000	
Total	\$50,160,000	\$4,700,000	\$45,460,000

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO
DETAIL OF TAX RATES
Fiscal Years 1943-44 to 1952-53

	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53
General Fund—Charter Limit \$1.65.....	1.540239	1.401275	1.324581	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226
General Fund—Other Necessary Expenditures Not Limited.....										
United School District.....	.733157	.984317	1.132731	1.225865	1.332376	1.415456	1.320391	1.481594	1.444522	1.351770
Recreation										
Park	1.58809	1.77261	1.77718	2.31787	1.94877	2.72223	2.03699			
Recreation and Park										
Library .....	.056209	.059224	.077863	.092736	.079649	.085277	.079214	.103886	.083429	.084568
Employees' Retirement .....	.265255	.280470	.367666	.415228	.607937	.572093	.761183	.728602	.768251	.727307
Bond Interest and Redemption .....	.605890	.550637	.534730	.562023	.427027	.345373	.232312	.257541	.225908	.166542
de Young Museum.....	.016515	.019073	.018125	.028140	.024749	.046452	.019540	.041135	.020559	.025020
California Palace of the Legion of Honor.....	.010502	.012274	.012867	.023237	.015741	.021058	.015458	.015651	.017172	.016888
War Memorial .....	.013727	.013011	.010328	.030623	.014676	.019291	.017742	.021101	.016755	.017447
Publicity and Advertising .....	.022683	.023841	.023595	.036508	.031683	.027403	.026161	.026098	.024423	.022763
Tax Judgments.....	.003266	.011044								
Child Care Centers.....									.008818	.014731
Special Election Fund.....										
Interest on Tax Anticipation Notes.....	.004846	.004730	.000047		.006512			.000100		.000267
Lighting Public Streets and Buildings.....	.098656	.115437	.129648	.150632	.130660	.129071	.093146	.103213	.096888	.095479
Hech Hetchy Water Supply.....	.044040	.041186	.050770	.111692	.030353	.030325	.203735	.190286	.118155	.137666
Airport .....	.016494	.094667	.052728							
Municipal Railway.....						.215088		.119469	.170008	
P. U. C. Purchase of California St. Cable R. R. Co.....								.016870		
Total Levy.....	4.36	4.69	4.83	5.55	5.62	6.09	5.66	6.29	6.19	5.67

of prior years.

1.50	30.684	1.10
1.32	19,331	.06
1.19	27,637	.08
1.04	42,819	.12
.97	67,323	.18
.76	61,976	.17
.69	49,737	.14
.66	34,656	.09
.93	42,533	.10
.97	59,642	.13
1.17	112,822	.22
1.10	164,067	.27
.93	165,344	.27
.81	213,217	.32
.80	561,703	.80

ole

27

*

55

74
57
19
76
\$48,051,332.94
5.67
8,387.82
10
48,059,920.76

38
25
81
56
7,178,401.94
6.19
422,446.42
10
7,600,848.36

99
83
25
08
6,561,359.03
6.19
148,609.42
10
6,509,968.45

80
10
40
80
7,314,838.70
5.67
50,655.04
10
7,365,493.74

70
69,536,231.31
1,226.88
\$69,537,458.19

FISCAL YEAR 1952-53

25

5,629,000	1,157,555.00	11,525,388.75	8,581,000	2,944,388.75
5,678,000	1,049,130.00	11,460,756.25	8,730,000	2,730,756.25
5,722,000	942,351.25	11,101,982.50	8,591,000	2,510,982.50
5,872,000	834,248.75	10,058,523.75	7,754,000	2,304,523.75
5,901,000	613,680.00	9,528,185.00	7,654,000	1,874,185.00
5,981,000	499,480.00	8,413,495.00	6,754,000	1,653,495.00
9,448,775	4,601,000	393,948.75	6,595,000	1,456,787.50
4,600,000	306,653.75	7,848,910.00	6,594,000	1,254,910.00
4,052,000	218,535.00	7,213,002.50	6,161,000	1,052,002.50
3,987,000	145,150.00	6,067,037.50	5,201,000	866,037.50
3,861,000	83,687.00	3,989,920.00	3,268,000	721,920.00
300,000	15,000.00	3,036,662.50	2,425,000	611,662.50
.....	.....	2,933,305.00	2,425,000	508,305.00
.....	.....	2,454,947.50	2,050,000	404,947.50
.....	.....	2,110,965.00	1,800,000	310,965.00
.....	.....	1,929,482.50	1,700,000	229,482.50
.....	.....	775,500.00	600,000	175,500.00
.....	.....	748,500.00	600,000	148,500.00
.....	.....	721,500.00	600,000	121,500.00
.....	.....	694,500.00	600,000	94,500.00
.....	.....	667,500.00	600,000	67,500.00
.....	.....	640,500.00	600,000	40,500.00
.....	.....	613,500.00	600,000	13,500.00
6,525.00	\$9,677,525.00	\$145,881,818.75	\$115,074,000	\$30,807,818.75

1952 in the amount of \$50,160,000.00 are not included.

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AT JUNE 30, 1952

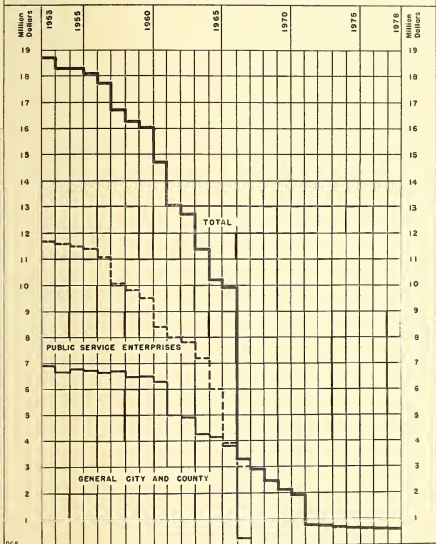
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Total \$187,743,000
Exempt from 12% Limit (a) 78,438,000
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Unissued (Unsold) Bonds, June 30, 1952:

Total	\$50,160,000	\$4,700,000	\$45,460,000
1947 Street Improvement	\$ 8,950,000		
1947 Off-Street Parking	4,000,000		
1947 Recreation	6,270,000		
1948 Sewage Treatment	2,450,000		
1948 Schools	22,790,000		
1949 Airport	1,000,000		
1947 Hetch Hetchy Water	1,700,000		
1949 Cherry Valley Dam	3,000,000		
		1,700,000	
		3,000,000	
		\$4,700,000	
			\$45,460,000

(a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:
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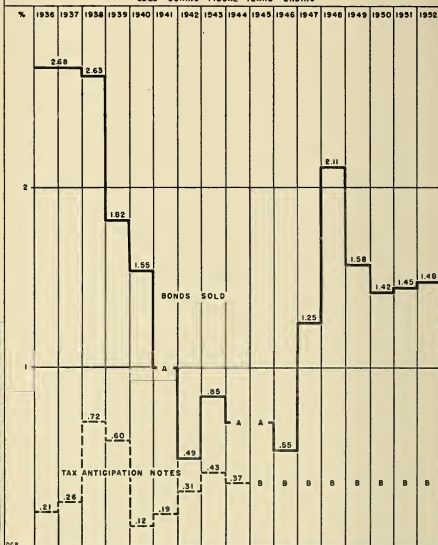
CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
 REQUIREMENTS FOR FISCAL YEARS ENDING



H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING

CCF

A - No Bonds Sold

B - No Tax Anticipation Notes Sold

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT
Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:		1944	1945	1946	1947	1948	1949	1950
General City Issues:								
Taxes	\$ 5,075,528.00	\$ 4,695,174.00	\$ 4,544,792.00	\$ 4,807,305.00	\$ 4,017,955.00	\$ 3,596,089.00	\$ 2,650,025.00	\$ 2,690,200.00
Special Road Improvement Fund	143,000.00	88,200.00	88,200.00	88,200.00	88,200.00			
Capital Improvement Fund	115,381.00	29,726.00	1,596.00		516,250.00	1,719,797.00	2,228,497.00	3,996,000.00
Surplus							136,982.00	
Public Service Enterprises:								
Utility Earnings:								
Water Department	5,851,517.00	5,070,389.00	5,300,892.00	6,210,245.00	5,610,412.00	6,250,831.00	6,320,270.00	6,607,787.00
Hetch Hetchy Project	1,971,398.00	2,087,213.00	1,830,590.00	1,330,378.00	1,505,373.00	1,367,307.00	1,161,340.00	1,273,059.00
Municipal Railway	147,500.00	142,500.00	130,500.00	132,500.00	127,500.00	868,771.00	1,231,388.00	315,223.00
Airport								124,584.00
Proceeds from Bond Funds								
Capital Improvement Fund (via Utility)								
Taxes (via Utility)	557,720.00	1,035,948.00	792,007.00	849,565.00	294,710.00	289,855.00	1,665,360.00	3,105,818.00
Surplus								
8,528,135.00	8,342,758.00	8,157,380.00	8,522,688.00	8,700,495.00	11,134,819.00	11,745,123.00	12,395,172.00	11,671,507.00
Total Budgeted Requirements	\$13,862,044.00	\$13,155,858.00	\$12,800,968.00	\$13,418,193.00	\$13,322,900.00	\$16,400,755.00	\$17,760,577.00	\$19,082,099.00



Office of the Controller
CITY AND COUNTY OF SAN FRANCISCO



REPORT AND FINANCIAL STATEMENTS
JUNE 30, 1952

Price, Waterhouse & Co.

351 CALIFORNIA STREET, SAN FRANCISCO 4

November 20, 1952.

The Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

Dear Sirs:

In accordance with your resolution No. 12497, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1952. The financial statements, attached hereto, are as follows:

	Exhibit
Proprietary balance sheet, June 30, 1952.....	A
Comparative statements, General City and County, for the years ended June 30, 1952 and 1951:	
Revenues, expenses and current surplus.....	B
Departmental revenues	C
Departmental expenses	D
Land, structures and equipment, General City and County, June 30, 1952.....	E
Additions to land, structures and equipment, by funds and projects, General City and County, for the year ended June 30, 1952.....	F
Summary balance sheet, Public Service Enterprises, June 30, 1952....	G
Summary of revenues, expenses and surplus, Public Service Enterprises, for the year ended June 30, 1952.....	H
Bonds authorized but unissued, June 30, 1952.....	I
Bonded indebtedness, June 30, 1952.....	J
Summary of fund balance sheets and adjustments thereto, June 30, 1952.....	K

SCOPE OF EXAMINATION

Our examination of the financial statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report we have necessarily incorporated financial statements and other data from reports prepared in connection with examinations made as at June 30, 1952, by other auditors as follows:

By other independent public accountants:

Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project
San Francisco Unified School District (a separate political entity)
City and County of San Francisco Employees' Retirement System

By the Controller's General Audit Division:

Cash, securities and accounts of the Treasurer's Office

We have also incorporated financial statements of the San Francisco Airport and of the Public Utilities Commission. The Airport statements were taken from a preliminary draft of the report of the Utility Audit Division of the Controller's Office on its examination of the accounts of the Airport, since the final report has not yet been issued. We were informed that a complete examination is not made of the accounts of the Public Utilities Commission.

Included in this report or on the attached exhibits are figures for the year ended June 30, 1951, which have not been audited by us but have been taken from reports of previous auditors.

OPINION

In our opinion, based on the examination previously described, the accompanying financial statements, together with the comments commencing on page 16 as to contingent liabilities and on page 12 as to the bases on which land, structures and equipment are stated, present fairly the position of the City and County of San Francisco at June 30, 1952, and the results of its operations for the year then ended, in conformity with generally accepted municipal accounting principles.

Yours very truly,
PRICE, WATERHOUSE & CO.

GENERAL CITY AND COUNTY REVENUES AND EXPENSES, YEAR ENDED JUNE 30, 1952—EXHIBIT B

During the 1951-52 fiscal year, revenues exceeded expenses by \$11,851,290 as compared with \$13,213,363 for the previous fiscal year, as shown by the following summary:

	Year Ended June 30		Increase
	1952	1951	Decrease*
Revenues	\$125,433,005	\$118,633,864	\$6,799,141
Expenses	113,581,715	105,420,501	8,161,214
Excess of revenues over expenses...	\$11,851,290	\$ 13,213,363	\$1,362,073*

REVENUES:

The increase of \$6,799,141 in revenues consists of:

Property taxes	\$4,095,443
State and federal subventions.....	2,435,071
Fines and forfeits.....	221,105
Departmental revenues	103,526
Franchise taxes	101,723
Retail purchase and use tax.....	122,484**
Other items—net	35,243**
	<u>\$6,799,141</u>

**Denotes decrease.

The following is a comparative summary of property tax assessed valuations, rates and resulting revenue:

	Year Ended June 30		Increase
	1952	1951	Decrease*
Unadjusted Assessed Valuations:			
Tangible property—secured	\$ 924,630,186	\$ 889,167,497	\$ 35,462,689
Tangible property—unsecured ..	196,847,890	172,527,080	24,320,810
Solvent credits—secured and unsecured	609,095,609	496,153,766	112,941,843
Assessed valuations—net	\$1,730,573,685	\$1,557,848,343	\$172,725,342
Add—Veterans' and Welfare exemptions	48,745,094	45,448,600	3,296,494
Gross assessed valuations.....	<u>\$1,779,318,779</u>	<u>\$1,603,296,943</u>	<u>\$176,021,836</u>
Tax rates per \$100 of assessed valuations:			
Tangible property—secured	\$6.19	\$6.29	\$.10*
Tangible property—unsecured ..	6.29	5.66	.63
Solvent credits—secured and unsecured .....	.10	.10	....

	Year Ended June 30		Increase
	1952	1951	Decrease*
Revenue from property taxes, penalties, interest and costs:			
Tangible property—secured	\$57,234,772	\$55,928,801	\$1,305,971
Tangible property—unsecured	12,381,803	9,765,087	2,616,716
Solvent credits—secured and unsecured	609,105	496,162	112,943
Unadjusted tax levy	\$70,225,680	\$66,190,050	\$4,035,630
Supplemental rolls	374,676	339,068	35,608
Penalties, interest and costs	185,779	168,842	16,937
Adjustment of reserve for unsecured taxes, penalties, interest and costs	190,533	40,677**	231,210
	<u>\$70,976,668</u>	<u>\$66,657,283</u>	<u>\$4,319,385</u>
Less—Cancellations, adjustments, refunds and reassessments	380,835	156,893	223,942
Total property tax revenues	<u>\$70,595,833</u>	<u>\$66,500,390</u>	<u>\$4,095,443</u>

**Denotes reduction.

The increase in tax revenues may be accounted for as follows:

Increased assessments	\$3,837,877
Changes in tax rates	197,753
Adjustments (supplemental rolls, cancellations and other)	59,813
Total increase in property tax revenue	<u>\$4,095,443</u>

Secured taxes are credited to revenue on an accrual basis and unsecured taxes on the basis of collections.

State and federal subventions for the fiscal year under review and for the previous fiscal year were as follows:

Description	Year Ended June 30		Increase
	1952	1951	Decrease*
Aid to needy children, aged and blind	\$15,053,816	\$15,167,560	\$ 113,744*
Motor vehicle registration, fuel and license taxes	11,067,053	8,942,766	2,124,287
Alcohol beverage licenses	1,249,603	1,415,966	166,363*
Maintenance of minors	557,906	569,920	12,014*
Public health programs	943,403	940,141	3,262
Schools	9,728,156	9,175,250	552,906
Other	332,392	285,655	46,737
	<u>\$38,932,329</u>	<u>\$36,497,258</u>	<u>\$2,435,071</u>

We were informed that the State of California placed its apportionment of motor vehicle registration, fuel and license taxes on a more current basis during the year under review and that, consequently, the increased revenue from this source is not expected to continue.

A comparative statement of departmental revenues is attached as Exhibit C. The major changes were as follows:

	Increase
	Decrease*
Parking meters	\$134,516
Department of Public Works inspection and permit fees	101,836*
Schools	64,324
Park and Recreation Department—Refreshment sales	109,436*
Park and Recreation Department—Concessions	38,241
Park and Recreation Department—Recreation facilities	38,678
Laguna Honda Home—Care of residents	51,575
Others—Net	12,536*
Net increase	<u>\$103,526</u>

Until such time as each parking meter is fully paid for, only one-half of the collections from such meter is credited to revenue; the other half is ap-

plied in reduction of the liability for the meters. The increase in revenue from parking meters is the result of a substantial number of the meters becoming fully paid for during the year under review.

A decrease in the amount of permits issued is largely responsible for the decrease in Public Works Department inspection and permit fees.

The placing of the Kezar Stadium refreshment business on a concession basis and the closing of the Fleishhacker Zoo Cafe are the principal reasons for the reduction in Park and Recreation Department refreshment sales; the former is the reason for the increase in Park and Recreation Department concession income.

The increase in revenue from recreation facilities is partly attributable to a greens fee rate increase at the golf courses and partly to the inclusion of a full year's income from the pitch and putt course opened in the Spring of 1951 in Golden Gate Park.

The employment of a social service worker at the Laguna Honda Home has resulted in increased recoveries for residents' care from their responsible relatives; recoveries from residents' social security benefits has also increased.

EXPENSES:

The increase in expenses for the fiscal year under review as compared with those for the previous fiscal year is summarized as follows:

		Increase Decrease*
Departmental expenses:		
Schools	\$2,408,495	
Public Safety	1,621,059	
Hospitals	1,065,331	
General Government	977,748	
Sanitation and Waste Removal.....	422,920	
Health Conservation	267,091	
Recreation & Parks.....	179,013	
Corrections	170,592	
Other (net)	46,833	\$7,159,082
Contributions to Public Service Enterprises.....		110,705*
Pension costs		962,123
Civilian Defense		197,240
Other items		46,526*
		<u>\$8,161,214</u>

Statistical data and other information furnished in response to our inquiries as to the reasons for the increase of \$7,159,082 in departmental expenses indicated that:

- (1) Approximately \$5,900,000 of the increase was due to wage and salary rate increases.
- (2) The holding of two elections during the 1951-52 fiscal year as against only one during the previous fiscal year was responsible for approximately \$265,000 of the increase in General Government expense.
- (3) Other contributing factors appeared to be the furnishing of increased nursing and psychiatric care at the hospital and general price increases in materials, supplies and contractual services.

**GENERAL CITY AND COUNTY
PROPRIETARY BALANCE SHEET,
JUNE 30, 1952—EXHIBIT A**

CASH IN BANKS AND ON HAND:

Cash balances at June 30, 1952, are summarized as follows:

	General City and County	Public Service Enterprises	Total
On deposit with Treasurer.....	\$69,960,840	\$29,934,986	\$99,895,826
Less—Outstanding warrants, matured bonds and coupons.....	783,732	707,501	1,491,233
	<u>\$69,177,108</u>	<u>\$29,227,485</u>	<u>\$98,404,593</u>
Revolving funds	59,550	52,650	112,200
	<u>\$69,236,658</u>	<u>\$29,280,135</u>	<u>\$98,516,793</u>

We reviewed the procedures followed by the Controller's General Audit Division in their monthly examination of cash in custody of the Treasurer and we inspected a report dated October 10, 1952, on their examination of the accounts of the Treasurer's Office as at June 30, 1952, in which they state that they have verified cash of \$99,895,826 on deposit with the Treasurer. The scope of our engagement did not extend to an examination of cash, securities, etc., in custody of the Treasurer.

The General City and County revolving funds were confirmed by the custodians.

RECEIVABLES, LESS RESERVES:

Uncollected property taxes, penalties and costs at June 30, 1952, and at June 30, 1951, were as follows:

	June 30		Increase Decrease*
	1952	1951	
Secured	\$ 669,952	\$ 638,263	\$ 31,689
Unsecured	1,688,954	1,879,488	190,534*
Together	<u>\$2,358,906</u>	<u>\$2,517,751</u>	<u>\$158,845*</u>

The following is an analysis of the June 30, 1952, balance:

	Together	Secured	Unsecured
Taxes:			
Current year 1951-52.....	\$ 561,703	\$344,175	\$ 217,528
Prior years:			
1950-51	213,216	120,058	93,158
1949-50	165,344	60,566	104,778
1948-49	164,057	42,900	121,157
1947-48	112,822	17,945	94,877
Prior	943,703	57,747	885,956
Total taxes receivable.....	<u>\$2,160,845</u>	<u>\$643,391</u>	<u>\$1,517,454</u>
Penalties	166,170	22,980	143,190
Costs	31,891	3,581	28,310
	<u>\$2,358,906</u>	<u>\$669,952</u>	<u>\$1,688,954</u>

Delinquent taxpayers were not requested to confirm the balances owing by them. Unsecured taxes are reserved for in full.

Subventions receivable are summarized as follows:

Motor vehicle fuel tax and registration fees.....	\$1,385,152
Public health	661,901
Schools	488,057
Charities—aged, blind and children.....	355,242
Alcohol beverage licenses.....	260,000
Other	97,428
	<u>\$3,247,780</u>

The major items included in the foregoing were substantiated by confirmation wherever practicable and otherwise by reference to collections subsequent to June 30, 1952, or by other auditing procedures.

Purchase and use tax collections for the period July 1, 1952, to August 10, 1952, \$1,191,259, were all assumed to be in respect of the quarter ended June 30, 1952, and were taken up as revenue and as receivables as at June 30, 1952.

Receivables arising from departmental service revenues are summarized as follows:

Activity	Current	Delinquent	Total
San Francisco Hospital.....	\$315,339	\$226,628	\$ 541,967
Youth Guidance Center.....	206,974	18,648	225,622
Public Welfare Department.....	192,484	20,930	213,414
Other	81,747	74,929	156,676
	<u>\$796,544</u>	<u>\$341,135</u>	<u>\$1,137,679</u>

Since there is substantial doubt as to the collectibility of accounts of this nature, they are not recorded as revenues until collected; in the meantime they are reserved for in full.

School department receivables for tuition and counseling, \$367,544, includes \$359,814 earned prior to June 30, 1952, which will be billed to other political subdivisions subsequent to that date.

Franchise taxes accrued at June 30, 1952, were as follows:

Pacific Telephone and Telegraph Company.....	\$533,000
Pacific Gas and Electric Company.....	161,729
American District Telegraph Company.....	5,016
	<u>\$699,745</u>

Except for American District Telegraph Company which has denied liability to the City and County for franchise tax, the foregoing accruals were confirmed by correspondence.

Interest and other receivables of \$788,757 includes interest accrued on employees' retirement system fund investments of \$722,202.

Our review of General City and County internal audit procedures disclosed that these do not include circularization of receivable balances. We recommend that the General Audit Division undertake, to such extent as is practical, a circularization of receivables, particularly uncollected property taxes and departmental service revenue receivables, on a periodic test basis.

INVESTMENTS:

Securities owned at June 30, 1952, were as follows:

Description	Par Value	Book Amount
Employees' Retirement System:		
United States Government bonds.....	\$ 62,495,000	\$ 62,754,558
Bonds of municipalities, School Districts, etc.....	10,810,462	10,797,228
Public utility bonds.....	28,190,000	28,522,458
Railroad equipment trust certificates.....	6,605,000	6,490,772
Railroad and railroad terminal bonds.....	574,000	586,448
	<u>\$108,674,462</u>	<u>\$109,151,464</u>
Other trust funds:		
Bonds	361,000	362,290
Stocks	39	2,094
	<u>\$109,035,501</u>	<u>\$109,515,848</u>

The independent public accountants who examined the financial statements of the Employees' Retirement System reported that they had verified by inspection the securities owned by the Retirement System at June 30, 1952, and that such securities are recorded at cost, adjusted for amortization of bond premiums and discounts. The General Audit Division reported that, in addition to the Retirement System securities, its representatives had inspected, as at June 30, 1952, other securities in custody of the Treasurer, as follows:

	Par Value
Securities owned by other trust funds.....	\$ 361,039
Securities deposited by banks as collateral.....	111,409,000
Lease guaranty deposit securities.....	111,250

LAND, STRUCTURES AND EQUIPMENT:

These assets may be summarized as follows:

Land	\$ 59,220,212
Buildings, structures and improvements.....	234,619,518
Equipment	23,919,357
	<u>\$317,759,087</u>

The foregoing amounts do not purport to represent the cost of properties and equipment presently owned by the City and County; the principal reasons for this are as follows:

- (1) Items retired are not always eliminated from the accounts.
- (2) An equity of approximately \$561,000 has been acquired in parking meters (including \$83,000 during the year under review) which has not been capitalized; the balance of \$40,167 owing at June 30, 1952, on meters installed to that date has not been taken up in the accounts.
- (3) Accumulated expenditures on interdepartmental work orders in progress were charged off to current surplus at June 30, 1952, \$3,827,870, and at June 30, 1951, \$2,816,194, although in both cases a substantial but undetermined portion of these expenditures was or will be credited back to current surplus and charged to land, structures and equipment as the various jobs were or are completed.
- (4) The amounts include certain properties which belong to the San Francisco Unified School District, a separate political entity.
- (5) A substantial but undetermined amount of retentions from payments or accruals for work completed to June 30, 1952, on construction contracts then in progress has not been given recognition in the accounts as at that date except in the reserve for encumbrances.
- (6) Certain of the properties are recorded at appraised values.

The following summary shows the additions to property, plant and equipment during the year ended June 30, 1952, by project:

Schools	\$ 8,230,787
North Point Sewage Plant.....	2,988,746
Broadway Tunnel	2,498,266
Parks, playgrounds and recreation centers.....	1,485,971
South East Sewage Plant.....	910,103
Removal of tracks.....	648,887
Off-street parking	400,558
Fire Department	469,845
Youth Guidance Center.....	368,110
Lake Street sewers.....	345,245
Thirteenth Street widening.....	254,838
Lake Merced Sewer System.....	235,177
Department of Public Works Maintenance Yard.....	162,306
All other additions.....	3,076,337
	<u>\$22,075,176</u>

We were informed that the Purchasing Department is continuing its effort to complete the inventory of equipment, etc., required by Section 88 of the Charter.

In accordance with past practice, no provision has been made, during the year under review, for depreciation of any of the General City and County fixed assets.

DEFERRED CHARGES:

The inventories of materials and supplies were as follows:

Based on recent physical inventories taken by employees of the City and County:

School Department	\$ 820,752
Fire Department	70,287
Central warehouse	40,181
Department of Public Works.....	36,096
Certain other departments.....	27,724

\$ 995,040

Estimated for all other departments..... 100,000

\$1,095,040

None of the inventories was taken under independent supervision. Tests of the quantities, prices and clerical accuracy of the School Department inventories were made by other auditors but no such tests were made of the other inventories.

Expense advances and sundry consists of:

Expense and travel advances:

District attorney	\$54,870
Other	9,176

\$64,046

School shop account..... 26,518

Miscellaneous

6 435

\$96,999

PAYABLES:

Our tests and discussions did not disclose any liabilities of significant amount as at June 30, 1952, which were not taken up in the books of account and on the attached proprietary balance sheet (Exhibit A) as at that date except as follows:

- (1) Construction contract retentions mentioned heretofore under the heading of "Land, structures and equipment."
- (2) Liabilities, actual or contingent, mentioned hereafter under the heading of "Contingent liabilities, suits, claims, etc."

REVENUES COLLECTED IN ADVANCE:

Unsecured personal property taxes are billed in the fiscal year preceding that to which they apply. Property taxes collected in advance at June 30, 1952, consist entirely of such unsecured personal property taxes applicable to the 1952-53 fiscal year.

Subventions collected in advance are for aid to the needy. State contributions toward such aid are made on the basis of estimates of aid to be actually granted in the following month, adjusted for previous over or under estimates.

TRUST AND ASSESSMENT FUND BALANCES:

These are not entirely unapplied balances but include a substantial amount of current liabilities such as withholding taxes payable which have not been set forth separately.

BONDED INDEBTEDNESS AND INTEREST ACCRUED THEREON:

The bonded indebtedness of the City and County, including that of the Public Service Enterprises, is detailed on Exhibit J. The changes during the year under review in unmatured outstanding bonds were as follows:

	General City and County	Public Service Enterprises	Together
Balance, June 30, 1951.....	\$63,722,000	\$118,355,000	\$182,077,000
Bonds issued	14,600,000	4,750,000	19,350,000
	<u>\$78,322,000</u>	<u>\$123,105,000</u>	<u>\$201,427,000</u>
Bonds matured	5,653,000	8,031,000	13,684,000
Balance, June 30, 1952.....	<u>\$72,669,000</u>	<u>\$115,074,000</u>	<u>\$187,743,000</u>

Statements of bonding capacity and redemption requirements are included in the annual report of the Controller.

PROPRIETARY EQUITIES:

The reserve for encumbrances represents a segregation of capital surplus, \$14,473,215, and current surplus, \$3,700,895, in amounts equal to the uncompleted portions of construction contracts, purchase orders and other outstanding commitments.

The changes during the year under review in capital surplus were as follows:

Balance, June 30, 1951:

Per balance sheet.....	\$259,986,611	
Transfer from fixed assets of charge made thereto (contra credit to reserve for encumbrances) to record uncompleted construction commitments as at June 30, 1951.....	17,704,421	
Balance after transfer.....	\$242,282,190	
Transfers from current surplus:		
Additions to land, structures and equipment.....	3,621,951	
Bond redemptions.....	5,383,000	
Fixed assets contributed by State Highway Trust.....	640,647	
State aid for construction projects under:		
Chapter 20, Statutes 1946.....	\$1,340,684	
Chapter 47, Statutes 1944.....	119,758	1,460,442
Decrease in credit to reserve for encumbrances for uncompleted construction contract commitments from \$17,704,421 at June 30, 1951, to \$14,473,215 at June 30, 1952.....	3,231,206	
Miscellaneous	20,365	
		\$256,639,801
Deduct:		
Transfers from real property funds to current funds for land acquisitions.....	\$369,254	
Loss on sale of fixed assets.....	3,254	372,508
Balance, June 30, 1952.....		\$256,267,293

CONTINGENT LIABILITIES, SUITS, CLAIMS, ETC.:

The City Attorney has informed us that at June 30, 1952, there were damage suits pending against the City and County aggregating approximately \$21,500,000 of which \$17,000,000 was against the Municipal Railway. He also informed us that there were a large number of claims pending which had not yet resulted in legal action. The Railway has provided a reserve of \$3,300,000 in respect of these pending suits and claims but no such reserve has been provided by any of the other departments of the municipality.

The Retirement Board has estimated the reserve requirements as at June 30, 1952, for employees' compensation claims at \$1,027,000 for the entire municipality. No provision has been made in the books nor on the attached financial statements in respect of the portion of this estimated liability, \$771,000, which applies to General City and County Departments. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

The amount of unfunded prior service pension costs as at June 30, 1952, has not been determined. An actuarial estimate as at June 30, 1951, is in progress but has not yet been completed.

The City and County of San Francisco is contingently liable in respect of the operating expenses and of the bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The financial statements of the Bridge District for the year ended June 30, 1952, show net income of \$2,185,591, after provision for bond interest. They also show total bonds outstanding at this date of \$32,000,000 which mature \$800,000 per annum for the next five years.

**SUMMARY OF FUND BALANCE SHEETS,
AS ADJUSTED, JUNE 30, 1952—EXHIBIT K**

The following is a reconciliation as at June 30, 1952, of the proprietary equities as shown by the proprietary balance sheets (Exhibits A and G) and the fund equities as shown by the summary of fund balance sheets, as adjusted (Exhibit K):

	Together	General City and County	Public Service Enterprises
Proprietary equities	\$426,372,423	\$300,615,951	\$125,756,472
Deduct—Proprietary assets and liabilities (net) not recorded in fund accounts:			
Land, structures and equipment.....	\$532,701,873	\$317,759,087	\$214,942,786
Deferred charges	3,140,334	1,192,039	1,948,295
	<u>\$535,842,207</u>	<u>\$318,951,126</u>	<u>\$216,891,081</u>
Bonded indebtedness and interest accrued thereon	\$189,726,351	\$ 73,168,993	\$116,557,358
Reserves for accident and compensation claims, and other liabilities	3,679,661	-----	3,679,661
	<u>\$193,406,012</u>	<u>\$ 73,168,993</u>	<u>\$120,237,019</u>
	<u>\$342,436,195</u>	<u>\$245,782,133</u>	<u>\$ 96,654,062</u>
	<u>\$ 83,936,228</u>	<u>\$ 54,833,818</u>	<u>\$ 29,102,410</u>
Add—Fund resources not recorded in proprietary accounts:			
Authorized but unissued bonds (Exhibit I)	\$ 50,160,000	\$ 44,460,000	\$ 5,700,000
State aid available for construction under Chapter 20, Statutes 1946.....	606,377	606,377	-----
	<u>\$ 50,766,377</u>	<u>\$ 45,066,377</u>	<u>\$ 5,700,000</u>
Fund equities:			
Reserve for encumbrances.....	\$ 28,917,739	\$ 18,174,110	\$ 10,743,629
Unencumbered balance of appropriations	68,773,443	56,866,403	11,907,040
Cash Reserve Fund.....	7,059,622	7,059,622	-----
Unappropriated balance of funds	29,951,801	17,800,060	12,151,741
	<u>\$134,702,605</u>	<u>\$ 99,900,195</u>	<u>\$ 34,802,410</u>

FUND RESOURCES NOT RECORDED IN PROPRIETARY ACCOUNTS:

These resources have been recorded in the fund accounts for the purpose of making funds available for appropriation.

The balance of bonds authorized but unissued was reduced during the year under review from \$69,510,000 at June 30, 1951, to \$50,160,000 at June 30, 1952, by the issue of bonds of an aggregate face value of \$19,350,000. No new bond issues were authorized during the year. Details of bonds issued during the year and of authorized bonds remaining unissued at June 30, 1952, are shown in the report of the General Audit Division on their examination of the accounts of the Treasurer's Office.

State aid available for construction under Chapter 20, Statutes 1946, consisted, at June 30, 1952, of:

Approved applications for aid.....	\$605,877
Claims receivable	500
	<u>\$606,377</u>

During the year ended June 30, 1952, \$1,340,684 was received from the State of California in this connection; this receipt was credited to capital surplus. There was also received \$157,508 as State aid for plans, specifications and land purchases under Chapter 47, Statutes 1944; of this amount, \$119,758, representing recovery of capital outlays from bond funds, was credited to

capital surplus and the balance of \$37,750, representing recovery of expenditures from current funds, was credited to current revenues.

FUND EQUITIES—CASH RESERVE FUND:

The cash reserve fund was increased during the year under review in accordance with the provisions of Section 80 of the Charter from \$6,652,205 at June 30, 1951, to \$7,059,622 (its full legal limit of 10% of the current or last preceding tax levy) at June 30, 1952.

GENERAL:

Deficits exist in certain funds at June 30, 1952, as follows:

<u>Fund</u>	<u>Deficit</u>
Auditorium	\$167,930
Firemen's Relief and Pension.....	171,332
Police Relief and Pension.....	103,236

Since the creation of deficits are not permissible under Section 88 of the Charter, it is recommended that legal means be sought to eliminate from the accounts these deficits, which were created before the present Charter was adopted.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
PROPRIETARY BALANCE SHEET—JUNE 30, 1952
 (Accompanying report of Price, Waterhouse & Co., dated November 20, 1952)

LIABILITIES		
PAYABLES:		
Trade	\$	1,020,486
Payroll		3,521,473
Deposits and sundry		90,281
REVENUES COLLECTED IN ADVANCE:	\$	4,632,240
Property taxes	\$	5,961,026
Subventions		790,721
Miscellaneous		83,841
TRUST AND ASSESSMENT FUND BALANCES		6,835,338
(Exhibit K)		119,689,910
BONDED INDEBTEDNESS AND INTEREST		
ACCURED THEREON		
Bonded indebtedness (Exhibit J)	\$	72,669,000
Accrued interest		199,993
PROPRIETARY EQUITIES:		
Reserve for encumbrances		
Uncompleted construction contract commitments		
Other commitments	\$	11,173,211
Current surplus (Exhibit B)	\$	18,171,110
Capital surplus		26,171,548
Surpluses of Public Service Enterprise		256,267,293
(Exhibit G)		125,756,472
	\$630,900,186	

ASSETS		
CASH IN BANKS AND ON HAND		\$ 69,236,658
RECEIVABLES:		
Property taxes, penalties and costs	\$	2,358,906
Subventions		3,247,780
Purchase and use tax		1,191,259
Departmental service revenues		1,137,679
School Department tuition and counseling		367,544
Franchise taxes		699,745
Interest and other		788,757
Less—Reserves	\$	9,791,670
OWING BY PUBLIC SERVICE ENTERPRISES		2,826,739
(net)		214,129
INVESTMENTS:		
Securities	\$109,515,848	
Real estate, etc.	55,990	
LAND, STRUCTURES AND EQUIPMENT		109,571,838
(Exhibit E)		317,759,087
DEFERRED CHARGES:		
Inventories of materials and supplies	\$	1,095,040
Expense advances and sundry		96,999
ENTERPRISES (Exhibit G)		1,192,039
EQUITIES IN PUBLIC SERVICE		
ENTERPRISES (Exhibit G)		125,756,472
	\$630,695,154	

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CURRENT SURPLUS—GENERAL CITY AND COUNTY

	Year Ended June 30		Increase
	1952	1951	Decrease*
Revenues:			
Property taxes, penalties, interest and costs.....	\$ 70,595,833	\$ 66,500,390	\$4,095,443
State and federal subventions.....	38,932,329	36,497,258	2,435,071
Departmental revenues (Exhibit C)	6,182,217	6,078,691	103,526
Retail purchase and use tax.....	4,923,011	5,045,495	122,484*
Fines, forfeits and penalties other than from property taxes	1,882,284	1,661,179	221,105
Franchise taxes	980,204	878,481	101,723
Licenses	633,959	679,953	45,994*
Bank interest	530,303	489,584	40,719
Rent of nonoperating school property	358,655	361,303	2,648*
Housing authority in lieu of taxes	326,222	392,037	65,815*
Other	87,988	49,493	38,495
	<u>\$125,433,005</u>	<u>\$118,633,864</u>	<u>\$6,799,141</u>
Expenses:			
Departmental expenses (Exhibit D)	\$ 95,677,549	\$ 88,518,467	\$7,159,082
Pension costs—Employees' Retirement System	11,880,452	10,918,329	962,123
Bond interest	1,367,580	1,335,016	32,564
Civilian Defense	303,405	106,165	197,240
Other	21,749	79,589	57,840*
Contributions:			
Municipal Railway	2,384,117	1,062,032	1,322,085
San Francisco Airport.....	1,712,594	2,996,780	1,284,186*
Public Utilities Commission.....	65,136	213,740	148,604*
Joint Highway Districts.....	169,133	190,383	21,250*
	<u>\$113,581,715</u>	<u>\$105,420,501</u>	<u>\$8,161,214</u>
Excess of revenues over expenses	\$ 11,851,290	\$ 13,213,363	\$1,362,073*
Current surplus, beginning of year	22,958,963	21,771,189	1,187,774
Transfers from capital surplus for land acquisitions	369,254	223,845	145,409
Profit on sale of School District Land	17,798	304,459	286,661*
School District tuition previously recorded as a deferred credit.....		420,385	420,385*
	<u>\$ 35,197,305</u>	<u>\$ 35,933,241</u>	<u>\$ 735,936*</u>
Deduct:			
Transfers to capital surplus:			
Additions to land, structures and equipment	\$ 3,621,951	\$ 7,297,801	\$3,675,850*
Bond redemptions	5,383,000	5,098,000	285,000
Miscellaneous charges and credits—net	17,806	578,477	560,671*
	<u>\$ 9,022,757</u>	<u>\$ 12,974,278</u>	<u>\$3,951,521*</u>
Current surplus, end of year	<u>\$ 26,174,548</u>	<u>\$ 22,958,963</u>	<u>\$3,215,585</u>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL REVENUES
GENERAL CITY AND COUNTY

	Years Ended June 30		Increase
	1952	1951	Decrease*
General Government:			
Parking meters	\$ 695,845	\$ 561,329	\$134,516
Superior Courts	262,023	225,543	36,480
Recorder	193,816	225,141	31,325*
Public Administrator	144,856	166,311	21,455*
Municipal Courts	136,700	139,539	2,839*
Sheriff	63,902	52,202	11,700
Rent of building space.....	53,911	46,263	7,648
Treasurer	39,292	28,918	10,374
County Clerk	12,403	12,652	249*
Other	50,710	46,896	3,814
	<u>\$1,653,458</u>	<u>\$1,504,794</u>	<u>\$148,664</u>
Public Safety (inspection and permit fees):			
Department of Public Works.....	\$ 215,039	\$ 316,875	\$101,836*
Department of Electricity.....	114,199	91,112	23,087
Health Department	58,734	69,749	11,015*
Fire Department	42,585	42,144	441
Farmers Market	29,363	20,602	8,761
Police Department	12,629	15,043	2,414*
Other	13,523	12,158	1,365
	<u>\$ 486,072</u>	<u>\$ 567,683</u>	<u>\$ 81,611*</u>
Schools:			
Cafeteria sales	\$ 991,877	\$ 936,475	\$ 55,402
Tuition for students from other counties	359,780	384,268	24,488*
Child Care Center (fees from parents)...	282,960	283,885	925*
Other	97,289	62,954	34,335
	<u>\$1,731,906</u>	<u>\$1,667,582</u>	<u>\$ 64,324</u>
Libraries			
	<u>\$ 38,311</u>	<u>\$ 33,517</u>	<u>\$ 4,794</u>
Recreation and Park:			
Cultural and Scientific:			
Opera House rentals.....	\$ 109,072	\$ 129,690	\$ 20,618*
Art Commission Symphony Concerts	19,848	20,621	773*
Coit Tower fees.....	21,167	17,765	3,402
Other	7,154	21,165	14,011*
Rent of auditorium and special facilities	241,335	232,351	8,984
Refreshment sales	346,573	456,009	109,436*
Recreation facilities	420,256	381,578	38,678
Concessions	63,130	24,889	38,241
Other	14,680	11,889	2,791
	<u>\$1,243,215</u>	<u>\$1,295,957</u>	<u>\$ 52,742*</u>
Hospitals:			
San Francisco Hospital—care of			
patients	\$ 193,195	\$ 195,632	\$ 2,437*
Sonoma State Home patients.....	57,039	54,243	2,796
Other	45,209	41,946	3,263
	<u>\$ 295,443</u>	<u>\$ 291,821</u>	<u>\$ 3,622</u>
Charities:			
Collections for maintenance of minors....	\$ 207,855	\$ 213,006	\$ 5,151*
Laguna Honda Home—care of residents	172,126	120,551	51,575
Others	2,214	1,093	1,121
	<u>\$ 382,195</u>	<u>\$ 334,650</u>	<u>\$ 47,545</u>

EXHIBIT C (Continued)
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL REVENUES
GENERAL CITY AND COUNTY

	Year Ended June 30		Increase
	1952	1951	Decrease*
Maintenance and transportation of			
prisoners	\$ 25,207	\$ 28,648	\$ 3,441*
Sewer installation charges.....	112,422	137,386	24,964*
Health conservation fees and permits.....	188,639	190,132	1,493*
Other	25,349	26,521	1,172*
	<u>\$6,182,217</u>	<u>\$6,078,691</u>	<u>\$103,526</u>

EXHIBIT D
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL EXPENSES
GENERAL CITY AND COUNTY

	Year Ended June 30		Increase
	1952	1951	Decrease*
General Government:			
Legislative	\$ 297,598	\$ 244,923	\$ 52,675
Executive	189,684	185,405	4,279
Judicial	2,695,209	2,440,423	254,786
Elections	519,450	254,600	264,850
Finance	2,208,450	2,018,889	189,561
Law	528,563	496,419	32,144
Recording and reporting.....	172,508	146,791	25,717
Administrative officers and boards....	1,105,786	972,152	133,634
General government buildings.....	746,285	734,824	11,461
Community promotion	302,470	292,287	10,183
Other	1,031	2,573	1,542*
	<u>\$ 8,767,034</u>	<u>\$ 7,789,286</u>	<u>\$ 977,748</u>
Public Safety:			
Police Department	\$ 8,451,747	\$ 7,857,631	\$ 594,116
Fire Department	8,468,322	7,487,093	981,229
Protective inspection	376,111	358,362	17,749
Other	213,786	185,821	27,965
	<u>\$17,509,966</u>	<u>\$15,888,907</u>	<u>\$1,621,059</u>
Highways:			
General administration	\$ 45,280	\$ 49,837	\$ 4,557*
Roadways	779,946	819,801	39,855*
Street lighting	966,144	949,898	16,246
Bridges and viaducts.....	118,019	104,290	13,729
Other	41,348	39,461	1,887
	<u>\$ 1,950,737</u>	<u>\$ 1,963,287</u>	<u>\$ 12,550*</u>
Schools	<u>\$26,798,540</u>	<u>\$24,390,045</u>	<u>\$2,408,495</u>
Libraries:			
Books, pamphlets and magazines.....	\$ 156,636	\$ 155,623	\$ 1,013
Other	766,908	670,303	96,605
	<u>\$ 923,544</u>	<u>\$ 825,926</u>	<u>\$ 97,618</u>
Charities:			
Laguna Honda Home.....	\$ 861,739	\$ 753,908	\$ 107,831
General relief	1,348,418	1,512,142	163,724*
Old age assistance.....	12,589,678	12,915,208	325,530*
Aid to minors.....	4,845,674	4,645,281	200,393
Aid to blind.....	531,972	519,636	12,336
Other	644,184	513,725	130,459
	<u>\$20,821,665</u>	<u>\$20,859,900</u>	<u>\$ 38,235*</u>

EXHIBIT D (Continued)
CITY AND COUNTY OF SAN FRANCISCO
COMPARATIVE STATEMENT OF DEPARTMENTAL EXPENSES
GENERAL CITY AND COUNTY

	Year Ended June 30		Increase Decrease*
	1952	1951	
Recreation:			
Cultural and Scientific:			
California Palace of the Legion of Honor	\$ 176,923	\$ 164,136	\$ 12,787
De Young Museum.....	246,854	219,930	26,924
Fleischhacker Zoo	208,556	201,666	6,890
Other	550,428	511,559	38,869
	<u>\$ 1,182,761</u>	<u>\$ 1,097,291</u>	<u>\$ 85,470</u>
Parks, squares, and organized recreation	2,984,256	2,623,125	361,131
Auditoriums and special facilities...	427,846	565,056	137,210*
Refreshment facilities	325,281	419,385	94,104*
Other	12,669	48,943	36,274*
	<u>\$ 4,932,813</u>	<u>\$ 4,753,800</u>	<u>\$ 179,013</u>
Hospitals:			
Municipal hospitals	\$ 7,063,170	\$ 6,200,186	\$ 862,984
Patients in nonmunicipal hospitals..	224,462	231,984	7,522*
Other	473,939	264,070	209,869
	<u>\$ 7,761,571</u>	<u>\$ 6,696,240</u>	<u>\$ 1,065,331</u>
Corrections:			
Adults	\$ 658,885	\$ 566,107	\$ 92,778
Minors	592,411	514,597	77,814
	<u>\$ 1,251,296</u>	<u>\$ 1,080,704</u>	<u>\$ 170,592</u>
Sanitation and Waste Removal:			
Sewers and sewage disposal.....	\$ 1,134,136	\$ 787,491	\$ 346,645
Side-sewer installation	126,053	137,341	11,288*
Street sanitation	1,309,745	1,222,182	87,563
	<u>\$ 2,569,934</u>	<u>\$ 2,147,014</u>	<u>\$ 422,920</u>
Health Conservation:			
Health regulation and inspection.....	\$ 486,304	\$ 456,856	\$ 29,448
Control of communicable diseases....	442,472	376,505	65,967
Child health services.....	1,138,511	989,968	148,543
Other	323,162	300,029	23,133
	<u>\$ 2,390,449</u>	<u>\$ 2,123,358</u>	<u>\$ 267,091</u>
	<u>\$95,677,549</u>	<u>\$88,518,467</u>	<u>\$7,159,082</u>

EXHIBIT E
CITY AND COUNTY OF SAN FRANCISCO
LAND, STRUCTURES AND EQUIPMENT
GENERAL CITY AND COUNTY
JUNE 30, 1932

Current Year's Additions—Net:			
Structures and Improvements	Land	Total	Equipment
\$ 3,178.36	\$	\$ 84,147.59	\$ 80,969.63
60,523.71	28,616.33	469,844.84	60,523.71
56,834.32		56,834.32	56,834.32
4,017.74		4,017.74	4,017.74
37,271.38	136,162.42	5,482,507.34	37,271.38
5,308,973.54	399,191.13	400,558.31	
1,367.18	5,026,848.15	5,087,286.18	41,195.59
		19,242.44	9,659.48
		9,059.48	99.89
		11,632.35	11,632.35
		32,552.59	32,552.59
		11,002.47	11,002.47
		6,847.63	6,847.63
		2,218.01	2,218.01
		368,110.09	19,561.91
348,548.18		23,848.10	
7,030,860.10	534,027.01	8,230,787.10	665,899.99
41,574.33	11,940.73	44,632.58	14,999.00
948,273.07	2,958.35	1,034,376.97	83,145.35
1,637.63		10,299.51	9,291.88
381,732.61	3,207.20	412,972.52	34,447.11
5,025.80		5,025.80	
22,665.65		22,665.65	
204,509.29	18.00	204,509.29	6,924.78
51,436.54		58,379.32	
\$ 19,781,183.33	\$ 1,105,067.93	\$ 22,075,176.07	\$ 1,188,924.81
214,838,334.08	58,115,144.36	295,683,910.63	22,730,432.19
\$234,619,517.41	\$59,220,212.29	\$317,759,086.70	\$23,919,357.00

*Denotes reduction.

General Government:
 Civic Center, including City Hall..... \$
 Public Safety:
 Fire Department..... \$
 Police Department.....
 Department of Electricity.....
 Highways:
 Streets, tunnels, bridges, etc.....
 Off-street parking.....
 Sanitation:
 Sewers and sewage disposal plants.....
 Street Cleaning Department.....
 Health Conservation:
 Hassler Health Home.....
 Civic Center Health Building.....
 Hospitals:
 San Francisco Hospital.....
 Emergency Hospitals.....
 Charities:
 Laguna Honda Home.....
 Welfare Department.....
 Corrections:
 Youth Guidance Center.....
 Log Cabin Ranch.....
 Schools.....
 Libraries.....
 Recreation:
 Playgrounds and swimming pools.....
 Museum, art galleries, etc.....
 Parks and squares.....
 Auditorium.....
 Golf links.....
 Others:
 Central warehouse and corporation yard.....
 Miscellaneous.....
 Prior Year's Additions.....



EXHIBIT F
CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO GENERAL CITY AND COUNTY LAND,
BY FUNDS AND PROJECTS
FOR THE YEAR ENDED JUNE 30, 1952

	Total	Land	Structures and Improvements	Equipment
\$ 441,228.51	\$ 441,228.51		\$ 380,704.80	\$ 60,523.71
162,306.28	162,306.28		152,798.06	
362,653.52	\$ 18.00	\$ 18.00	125,691.81	236,941.71
\$1,118,986.37	\$ 18.00		\$ 821,500.95	\$297,167.42
\$ 788,556.09	\$347,247.65		\$ 125,796.75	\$317,711.69
\$ 24,230.40	\$ 24,291.00		\$ 60.60*	
\$ 241,729.33	\$ 46,729.33		\$ 195,000.00	
246,237.79	11,557.16		234,680.63	
85,042.71	43,795.02		77,332.93	\$ 12,000.00
\$ 616,804.85	\$ 97,706.64		\$ 507,013.56	\$ 12,000.00
\$ 13,169.62	\$ 39,455.75*		\$ 52,564.37	
31,302.44	14,789.10		6,413.34	
95,997.87			95,997.87	
365,628.75	22,774.36		317,567.69	\$ 25,286.73
\$ 555,937.71	\$ 38,107.71		\$ 472,543.27	\$ 25,286.73
\$ 109,169.40	\$ 2,487.30		\$ 109,169.40	
249,102.82	744.00		213,466.51	\$ 35,262.31
\$ 448,579.37	\$ 2,861.30		\$ 410,455.76	\$ 35,262.31
\$ 23,377.83			\$ 23,377.83	
2,165.29			2,165.29	
31,030.21			16,031.21	\$ 14,999.00
\$ 56,573.33			\$ 41,574.33	\$ 14,999.00
2,733.09			1,637.63	\$ 2,733.09
6,558.79				6,558.79
\$3,620,597.63	\$530,232.30		\$2,380,461.65	\$769,903.68

CURRENT FUNDS:

General Fund:
 Fire Department.....
 Department of Public Works maintenance yard.....
 Sewers.....
 Sundry.....

San Francisco Unified School District.....
 S.F.U.S.D. Special Accumulative Building Fund.....
 Special Gas Tax Street Improvement Fund:

Thirteenth Street.....
 Removal of tracks.....
 San Jose-Guerrero Streets.....
 Sundry.....

Special Road Improvement Fund:
 Thirteenth Street.....
 San Jose-Guerrero Streets.....
 Removal of tracks.....
 Sundry.....

Recreation and Park Fund:
 Fleishacker Zoo.....
 McLaren Lodge.....
 Sundry.....

Library Fund:
 Parksade Branch Library.....
 Potrero Branch Library.....
 Sundry.....

War Memorial.....
 Legion of Honor.....
 De Young Museum.....

*Denotes reduction.

EXHIBIT F (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO GENERAL CITY AND COUNTY LAND,
STRUCTURES AND EQUIPMENT
BY FUNDS AND PROJECTS
FOR THE YEAR ENDED JUNE 30, 1952

	Land	Structures and Improvements	Equipment
CAPITAL FUNDS:			
1927 Boulevards Bond Fund:			
Jumpero Serra Boulevard	\$ 312.03	\$ 312.03	
1944 Sewer Bond Fund:			
North Point Plant	\$ 1,443,933.61	\$ 1,443,933.61	
Lake Merced Sewer System	235,177.12	235,177.12	
Lake Street Sewer System	345,245.07	345,245.07	
Sundry	86,988.25	86,988.25	
1947 Off-Street Parking Bond Fund:	\$ 2,111,344.05	\$ 2,111,344.05	
Bartlett Street	\$ 281,259.17	\$ 281,259.17	
St. Mary's Square	118,129.22	117,931.96	
Sundry	878.00	878.00	
1947 Street Improvement Bond Fund:	\$ 400,558.31	\$ 399,191.13	
Broadway Tunnel	\$ 2,498,266.10	\$ 2,498,266.10	
Removal of tracks	306,651.01	306,651.01	
Sundry	886,099.34	1,763.21	
1947 Recreation Bond Fund:	\$ 3,691,016.45	\$ 1,763.21	
Corona Heights Playground and Junior Museum	\$ 76,863.75	\$ 76,863.75	
Chinese Recreation Center	110,513.42	110,513.42	
Silver Terrace Playground and Field House	111,494.71	2,873.73	
St. Mary's Playground and Recreation Center	73,999.76	73,999.76	
Potero Hill	97,487.18	97,487.18	
Hamilton Playground	77,618.46	77,618.46	
Phelan Beach Recreation Area	59,855.70	59,855.70	
Sundry	364,792.61	760.77	
1948 Sewage Treatment Bond Fund:	\$ 1,028,180.27	\$ 3,634.55	
North Point Plant	\$ 1,544,812.25	\$ 18,875.13	
South East Sewage Plant	910,102.84	367.31	
Sundry	354,238.27	327,033.39	
1948 School Bond Fund	\$ 2,809,153.36	\$ 19,242.44	
1944 and 1948 Juvenile Home and Court Bond Funds:	\$ 7,395,668.81	\$ 134,696.56	
Youth Guidance Center	367,645.98		
Real Property Fund—General City and County	12,279.34*	12,279.34*	
Real Property Fund—S.F.U.S.D.	22,331.80	27,791.80	
TRUST FUND:	\$ 17,813,931.72	\$ 574,040.35	
State Highway Trust	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,105,067.93	
	\$ 312.03	\$ 312.03	
	\$ 1,443,933.61	\$ 1,443,933.61	
	235,177.12	235,177.12	
	345,245.07	345,245.07	
	86,988.25	86,988.25	
	\$ 2,111,344.05	\$ 2,111,344.05	
	\$ 281,259.17	\$ 281,259.17	
	118,129.22	117,931.96	
	878.00	878.00	
	\$ 400,558.31	\$ 399,191.13	
	\$ 2,498,266.10	\$ 2,498,266.10	
	306,651.01	306,651.01	
	886,099.34	1,763.21	
	\$ 3,691,016.45	\$ 1,763.21	
	\$ 76,863.75	\$ 76,863.75	
	110,513.42	110,513.42	
	111,494.71	2,873.73	
	73,999.76	73,999.76	
	97,487.18	97,487.18	
	77,618.46	77,618.46	
	59,855.70	59,855.70	
	364,792.61	760.77	
	\$ 1,028,180.27	\$ 3,634.55	
	\$ 1,544,812.25	\$ 18,875.13	
	910,102.84	367.31	
	354,238.27	327,033.39	
	\$ 2,809,153.36	\$ 19,242.44	
	\$ 7,395,668.81	\$ 134,696.56	
	367,645.98		
	12,279.34*	12,279.34*	
	22,331.80	27,791.80	
	\$ 17,813,931.72	\$ 574,040.35	
	\$ 640,646.72	\$ 795.28	
	\$22,075,176.07	\$1,10	

EXHIBIT G
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
SUMMARY BALANCE SHEET—JUNE 30, 1952

[illegible]

- (1) To reclassify payroll deductions and other items to interfund ac
- (2) To reclassify outstanding warrants, payroll deductions, matu
- (3) To offset encumbrances included in deferred charges against c
- (4) To show outstanding encumbrances as segregation of surplu

*Denotes reduction.

EXHIBIT H
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
SUMMARY OF REVENUES, EXPENSES AND SURPLUS
FOR THE YEAR ENDED JUNE 30, 1952

Revenues and Expenses:					
Operating revenues	\$ 35,601,661	\$15,360,544	\$18,242,353	\$ 831,875	\$1,166,889
Operating expenses	31,756,960	8,134,676	21,038,451	1,416,944	1,166,889
Excess of operating revenues	\$ 3,844,701	\$ 7,225,868	\$ 2,796,098*	585,069*	
Other revenues:					
Interest	\$ 32,125	\$ 16,898	\$ 15,227		
Rentals	281,418	84,801	9,016	\$ 16,785	
Other	110,602				
Total other revenues	\$ 424,145	\$ 383,117	\$ 24,243	\$ 16,785	
Other expenses:					
Bond interest	\$ 3,199,634	\$ 2,778,541	\$ 287,002	\$ 134,091	
Other	125,868	67,397	58,471		
Total of other expenses	\$ 3,325,502	\$ 2,845,938	\$ 345,473	\$ 134,091	
Excess of revenues over expenses	\$ 943,344	\$ 4,763,047	\$ 3,117,328*	\$ 702,375*	
Surplus:					
Balance, June 30, 1951	\$117,171,076	\$81,608,793	\$ 3,915,843	\$30,212,676	\$1,433,764
Excess of revenues over expenses (above)	943,344	4,763,047	3,117,328*	702,375*	
Contributions from General City and County	4,161,848			1,712,594	65,137
Contributions from others	3,647,015	3,290,000	150,000	357,015	150,000
Miscellaneous—net	166,811*	573,281	756,960*		10,867
Balance, June 30, 1952	\$125,756,472	\$90,235,121	\$ 2,575,672	\$31,579,910	\$1,563,769

*Denotes reduction or loss.

EXHIBIT I
CITY AND COUNTY OF SAN FRANCISCO
BONDS AUTHORIZED BUT UNISSUED
JUNE 30, 1952

General City and County:

1947 Street Improvement	\$ 8,950,000
1947 Off-Street Parking	4,000,000
1947 Recreation	6,270,000
1948 Sewage Treatment	2,450,000
1948 Schools	22,790,000
	<u>\$44,460,000</u>

Public Service Enterprises:

1947 Hetch Hetchy Water	\$ 1,700,000
1949 Airport	1,000,000
1949 Cherry Valley Dam	3,000,000
	<u>\$ 5,700,000</u>
	<u><u>\$50,160,000</u></u>

EXHIBIT J
CITY AND COUNTY OF SAN FRANCISCO
BONDED INDEBTEDNESS—JUNE 30, 1952

General City and County:

Schools:

March 1, 1923, 5%.....	\$ 4,500,000	
1948, Series A—March 1, 1949, 1¼ % to 5½ %..	6,400,000	
1948, Series B—April 1, 1951, 1¼ % and 1¾ %	9,745,000	
1948, Series C—March 1, 1952, 1½ %.....	9,100,000	\$29,745,000

Parks and Playgrounds:

Parks and squares—February 1, 1931, 4½ %....	\$ 448,000	
Playgrounds—February 1, 1931, 4½ %.....	64,000	
1947 Recreation, Series A—August 1, 1948, 1¼ % to 1¾ %.....	1,953,000	
1947 Recreation, Series B—November 1, 1949, 1 % to 4 %.....	1,158,000	
1947 Recreation, Series C—September 1, 1950, 1 % to 1½ %.....	2,047,000	5,670,000

Boulevards and Roads:

Boulevards and Roads—February 1, 1931, 4½ %	\$ 288,000	
1947 Street Improvements, Series A— February 1, 1948, 1½ % and 2 %.....	1,800,000	
1947 Street Improvement, Series B—August 1, 1949, 1 % to 4 %.....	1,810,000	
1947 Street Improvement, Series C— November 1, 1949, 1 % to 4 %.....	5,070,000	
1947 Street Improvement, Series D— September 1, 1950, 1¼ % and 1½ %.....	777,000	
1947 Street Improvement, Series E— March 1, 1952, 1¼ % and 1½ %.....	2,500,000	12,245,000

Sewers:

July 1, 1908, 5%.....	\$ 300,000	
January 1, 1929, 4½ %.....	300,000	
December 1, 1933, 4 %.....	945,000	
1944, Series B—February 1, 1948, 1¾ % to 2½ %	5,864,000	
1948 Sewage Treatment, Series A—August 1, 1949, 1 % to 4 %.....	6,835,000	
1948 Sewage Treatment, Series B—November 1, 1949, 1 % to 4 %.....	2,717,000	
1948 Sewage Treatment, Series C—March 1, 1952, 1¼ % and 1½ %.....	2,000,000	18,961,000

Fire Protection:

July 1, 1908, 5%.....	\$ 520,000	
High Pressure System—December 1, 1933, 3 %	200,000	720,000

Other Issues:

Hospitals—January 1, 1929, 4½ %.....	\$ 175,000	
City Hall and Civic Center—July 1, 1912, 5 %..	1,800,000	
1948 Juvenile Court and Detention Home, Series A—August 1, 1948, 1¼ % to 1¾ %....	1,517,000	
1948 Juvenile Court and Detention Home, Series B—November 1, 1949, 1 % to 4 %.....	836,000	
1947 Off-street parking, Series A—March 1, 1952, 1¼ % and 1½ %.....	1,000,000	5,328,000
		<u>\$72,669,000</u>

EXHIBIT J (Continued)
CITY AND COUNTY OF SAN FRANCISCO
BONDED INDEBTEDNESS—JUNE 30, 1952

Public Service Enterprises:

Hetch Hetchy Water Supply and Power Project:

Water—July 1, 1910—4½ %	\$13,000,000	
Hetch Hetchy Water—January 1, 1925, 5 %	4,250,000	
Hetch Hetchy—July 1, 1928, 4½ %	15,600,000	
Hetch Hetchy—June 1, 1932, 2¾ % to 5¾ %	3,700,000	
Hetch Hetchy Dam—December 1, 1933, 4 %	350,000	
1947 Hetch Hetchy Water, Series A— February 1, 1948, 1¾ % to 2½ %	6,000,000	
1947 Hetch Hetchy Water, Series B—August 1, 1948, 1½ %	800,000	
1947 Hetch Hetchy Water, Series C—March 1, 1949, 1¼ %	1,550,000	
1947 Hetch Hetchy Water, Series D— November 1, 1949, 1 % to 6 %	8,074,000	
1947 Hetch Hetchy Water, Series E— September 1, 1950, 1¼ % to 1½ %	3,994,000	
1949 Cherry Valley Dam, Series A—March 1, 1952, 1¼ % to 1½ %	1,000,000	\$ 58,318,000

Water Department:

Spring Valley—July 1, 1928, 4½ %	\$19,000,000	
Water Distribution—December 1, 1933, 4 %	1,120,000	20,120,000

Municipal Railway:

December 1, 1913, 5 %	\$ 100,000	
1947 Rehabilitation, Series A—February 1, 1948, 1¾ % to 2½ %	4,764,000	
1947 Rehabilitation, Series B—August 1, 1948, 1¼ % to 4 %	4,531,000	
1947 Rehabilitation, Series C—March 1, 1949, 1½ % and 6 %	3,230,000	
1947 Rehabilitation, Series D—August 1, 1949, 1 % to 4 %	1,357,000	
1947 Rehabilitation, Series E—November 1, 1949, 1 % to 4 %	497,000	
1947 Rehabilitation, Series F—September 1, 1950, 1 % and 1¼ %	2,290,000	
1947 Rehabilitation, Series G—March 1, 1952, 1¼ % to 1½ %	650,000	
1947 Market Street Railway Refinancing, Series A—May 1, 1948, 1¼ %	1,150,000	18,569,000

San Francisco Airport:

1945, Series C—December 15, 1946, 1¼ % and 1½ %	\$ 7,000,000	
1945, Series D—February 1, 1948, 1½ %	400,000	
1945, Series E—November 1, 1949, 1 % to 4 %	1,258,000	
1945, Series F—September 1, 1950, 1¼ % and 1½ %	999,000	
1949, Series A—September 1, 1950, 1¼ % and 1½ %	3,421,000	
1949, Series B—April 1, 1951, 1¾ %	1,889,000	
1949, Series C—March 1, 1952, 1¼ % and 1½ %	3,100,000	18,067,000

Total City and County

\$115,074,000
\$187,743,000

*Denotes reduction.



EXHIBIT 1C—PAGE 3
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO
JUNE 30, 1957

Cash	Other Resources	Receivables	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 3,533			\$ 3,533	1927 Bernal Cut	38,898		\$ 3,533
38,898			38,898	1927 Boulevards	21,007		
21,007			21,007	1933 Sewers			
3,097,051	\$ 606,377		3,703,428	1944 Sewers			
			85,627	{ 1944 Juvenile Home and Court }			
			4,312,643	{ 1948 Juvenile Court and Detention Home }			
312,643	4,000,000		4,312,643	1947 Off-Street Parking			
3,481,247	8,950,000		12,431,247	1947 Street Improvements			
1,077,030	6,270,000		7,347,030	1947 Recreation			
2,533,234	2,450,000		4,983,234	1948 Sewage Treatment			
13,617,156	22,790,000		36,637,156	1948 Schools			
876,656			876,656	Real Property Funds:			
97,310			97,310	General City			
\$25,221,392	\$45,066,377		\$70,537,769	San Francisco Unified School District			

Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	1947 Off-Street Parking	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	7,347,030	1947 Off-Street Parking			
	24,676,097	3	4,983,234	1947 Street Improvements			
\$9,67	\$14,473,215		36,637,156	1947 Recreation			
	84		876,656	1948 Sewage Treatment			
	2		97,310	1948 Schools			
	817		876,656	Real Property Funds:			
			97,310	General City			
			\$25,221,392	San Francisco Unified School District			

Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
	2		876,656	1948 Schools			
	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
			97,310	San Francisco Unified School District			

Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
	2		876,656	1948 Schools			
	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
			97,310	San Francisco Unified School District			

Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
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	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
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	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
			97,310	San Francisco Unified School District			

Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
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			\$25,221,392	General City			
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Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
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	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
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	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
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	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
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	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
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Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
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	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
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Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
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	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
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	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
	2		876,656	1948 Schools			
	817		97,310	Real Property Funds:			
			\$25,221,392	General City			
			97,310	San Francisco Unified School District			

Unencumbered Appropriations	Unencumbered Appropriations	Unencumbered Appropriations	Total	General City and County Capital Funds:	Total	Receivables	Total
\$ 300	10,389	38,898	3,533	1927 Bernal Cut	38,898		\$ 3,533
	17,052	21,007	3,703,428	1927 Boulevards	21,007		
	2,720,518	45	85,627	1933 Sewers			
	78,887		4,312,643	1944 Sewers			
	267,197	4,03	12,431,247	{ 1944 Juvenile Home and Court }			
	2,986,762	4,07	7,347,030	{ 1948 Juvenile Court and Detention Home }			
	3,953,293	8	4,983,234	1947 Off-Street Parking			
	24,676,097	3	36,637,156	1947 Street Improvements			
\$9,67	\$14,473,215		876,656	1947 Recreation			
	84		97,310	1948 Sewage Treatment			
	2		876,656	1948 Schools			
	817		97,310	Real Property Funds:			

EXHIBIT K—PAGE 4
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO
JUNE 30, 1952

Cash	Receivables	Interfund	Investments	Total	Public Trust Funds:	Interfund	Accounts	Interfund
\$4,256,404	\$722,202	\$1,001,600	\$109,151,464	\$115,131,670	Employees' Retirement System			
					Bequests:			
7,287				7,287	Beardslee			
11,948			94	11,948	Brayton			
1,185				1,279	Brunetti			
70				70	Fallon			
13,372	169		106,189	119,730	Fuhrman—Library			
66,317				66,317	Fuhrman—Park			
8,412			50,990	59,402	Fuhrman—Joint Custody			
2,336	116		8,379	10,831	Herzstein			
294				294	Huntington			
906			2,000	2,906	Lewis			
157				157	Magnin			
7,417	45		2,073	9,535	Marx			
8				8	McLaren			
2,333	5		5,000	7,338	McLean			
8,938				8,938	Nelson			
593	22		979	1,594	Olsen			
713				713	Phelan—Library			
3,366	469		45,000	48,835	Robinson			
5,176	66		9,000	14,242	Sharp			
6,587				6,587	Sneide			
10,176			5,000	15,176	Steinbrunn			
58,164	417		150,000	208,581	Stybing			
6,928	156		5,000	22,084	Sutro			
3,150				3,150	Windel			
194,804				194,804	De Young Museum Art Trust			
1,912				1,912	Health Service			
2,910				2,910	Infantile P nalysis			
2,910				2,910	Laguna Honda Work Shop			
52				52	Leech, E. T.			
508				508	Musicians' Club			
1,354			15,670	15,670	P.P.I.E. Trust			
312	104			1,458	P.P.I.E. Scholarship—Interest			
5,802				5,802	Pan American Society			
195				195	Police Range			
220				220	S.F. Hospital—Children's Ward			
111				111	S.F. Hospitality House			
111				111	Servicemen's Overnigh Housing			
194				194	Social Service			
538,010	55,296			593,306	Special Anecdotal Book Fund			
1,031				1,031	State Highway			
1,269				1,269	Tuberculosis Trust			
\$5,231,110	\$779,078	\$1,001,600	\$109,571,838	\$116,583,626	Veterans' Education—School			
Denotes reduction.								
\$4,256,404	\$722,202	\$1,001,600	\$109,151,464	\$115,131,670	Employees' Retirement System			
					Bequests:			
7,287				7,287	Beardslee			
11,948			94	11,948	Brayton			
1,185				1,279	Brunetti			
70				70	Fallon			
13,372	169		106,189	119,730	Fuhrman—Library			
66,317				66,317	Fuhrman—Park			
8,412			50,990	59,402	Fuhrman—Joint Custody			
2,336	116		8,379	10,831	Herzstein			
294				294	Huntington			
906			2,000	2,906	Lewis			
157				157	Magnin			
7,417	45		2,073	9,535	Marx			
8				8	McLaren			
2,333	5		5,000	7,338	McLean			
8,938				8,938	Nelson			
593	22		979	1,594	Olsen			
713				713	Phelan—Library			
3,366	469		45,000	48,835	Robinson			
5,176	66		9,000	14,242	Sharp			
6,587				6,587	Sneide			
10,176			5,000	15,176	Steinbrunn			
58,164	417		150,000	208,581	Stybing			
6,928	156		5,000	22,084	Sutro			
3,150				3,150	Windel			
194,804				194,804	De Young Museum Art Trust			
1,912				1,912	Health Service			
2,910				2,910	Infantile P nalysis			
2,910				2,910	Laguna Honda Work Shop			
52				52	Leech, E. T.			
508				508	Musicians' Club			
1,354			15,670	15,670	P.P.I.E. Trust			
312	104			1,458	P.P.I.E. Scholarship—Interest			
5,802				5,802	Pan American Society			
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220				220	S.F. Hospital—Children's Ward			
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538,010	55,296			593,306	Special Anecdotal Book Fund			
1,031				1,031	State Highway			
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\$5,231,110	\$779,078	\$1,001,600	\$109,571,838	\$116,583,626	Veterans' Education—School			
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11,948			94	11,948	Brayton			
1,185				1,279	Brunetti			
70				70	Fallon			
13,372	169		106,189	119,730	Fuhrman—Library			
66,317				66,317	Fuhrman—Park			
8,412			50,990	59,402	Fuhrman—Joint Custody			
2,336	116		8,379	10,831	Herzstein			
294				294	Huntington			
906			2,000	2,906	Lewis			
157				157	Magnin			
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8				8	McLaren			
2,333	5		5,000	7,338	McLean			
8,938				8,938	Nelson			
593	22		979	1,594	Olsen			
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3,366	469		45,000	48,835	Robinson			
5,176	66		9,000	14,242	Sharp			
6,587				6,587	Sneide			
10,176			5,000	15,176	Steinbrunn			
58,164	417		150,000	208,581	Stybing			
6,928	156		5,000	22,084	Sutro			
3,150				3,150	Windel			
194,804				194,804	De Young Museum Art Trust			
1,912				1,912	Health Service			
2,910				2,910	Infantile P nalysis			
2,910				2,910	Laguna Honda Work Shop			
52				52	Leech, E. T.			
508				508	Musicians' Club			
1,354			15,670	15,670	P.P.I.E. Trust			
312	104			1,458	P.P.I.E. Scholarship—Interest			
5,802				5,802	Pan American Society			
195				195	Police Range			
220				220	S.F. Hospital—Children's Ward			
111				111	S.F. Hospitality House			
111				111	Servicemen's Overnigh Housing			
194				194	Social Service			
538,010	55,296			593,306	Special Anecdotal Book Fund			
1,031				1,031	State Highway			
1,269				1,269	Tuberculosis Trust			
\$5,231,110	\$779,078	\$1,001,600	\$109,571,838	\$116,583,626	Veterans' Education—School			
Denotes reduction.								
\$4,256,404	\$722,202	\$1,001,600	\$109,151,464	\$115,131,670	Employees' Retirement System			
					Bequests:			
7,287				7,287	Beardslee			
11,948			94	11,948	Brayton			
1,185				1,279	Brunetti			
70				70	Fallon			
13,372	169		106,189	119,730	Fuhrman—Library			
66,317				66,317	Fuhrman—Park			
8,412			50,990	59,402	Fuhrman—Joint Custody			
2,336	116		8,379	10,831	Herzstein			
294				294	Huntington			
906			2,000	2,906	Lewis			
157				157	Magnin			
7,417	45		2,073	9,535	Marx			
8				8	McLaren			
2,333	5		5,000	7,338	McLean			
8,938				8,938	Nelson			
593	22		979	1,594	Olsen			
713				713	Phelan—Library			
3,366	469		45,000	48,835	Robinson			
5,176	66		9,000	14,242	Sharp			
6,587				6,587	Sneide			
10,176			5,000	15,176	Steinbrunn			
58,164	417		150,000	208,581	Stybing			
6,928	156		5,000	22,084	Sutro			
3,150				3,150	Windel			
194,804				194,804	De Young Museum Art Trust			
1,912				1,912	Health Service			
2,910				2,910	Infantile P nalysis			
2,910				2,910	Laguna Honda Work Shop			
52				52	Leech, E. T.			
508				508	Musicians' Club			
1,354			15,670	15,670	P.P.I.E. Trust			
312	104			1,458	P.P.I.E. Scholarship—Interest			
5,802				5,802	Pan American Society			
195				195	Police Range			
220				220	S.F. Hospital—Children's Ward			
111				111	S.F. Hospitality House			
111				111	Servicemen's Overnigh Housing			
194				194	Social Service			
538,010	55,296			593,306	Special Anecdotal Book Fund			
1,031				1,031	State Highway			
1,269				1,269	Tuberculosis Trust			
\$5,231,110	\$779,078	\$1,001,600	\$109,571,838	\$116,583,626	Veterans' Education—School			
Denotes reduction.								
\$4,256,404	\$722,202	\$1,001,600	\$109,151,464	\$115,131,670	Employees' Retirement System			
					Bequests:			
7,287				7,287	Beardslee			
11,948			94	11,948	Brayton			
1,185				1,279	Brunetti			
70				70	Fallon			
13,372	169		106,189	119,730	Fuhrman—Library			
66,317				66,317	Fuhrman—Park			
8,412			50,990	59,402	Fuhrman—Joint Custody			
2,336	116		8,379	10,831	Herzstein			
294				294	Huntington			
906			2,000	2,906	Lewis			
157				157	Magnin			
7,417	45		2,073	9,535	Marx			
8				8	McLaren			
2,333	5		5,000	7,338	McLean			
8,938				8,938	Nelson			
593	22		979	1,594	Olsen			
713				713	Phelan—Library			
3,366	469		45,000	48,835	Robinson			
5,176	66		9,000	14,242	Sharp			
6,587				6,587	Sneide			
10,176			5,000	15,176	Steinbrunn			
58,164	417		150,000	208,581	Stybing			
6,928	156		5,000	22,084	Sutro			
3,150				3,150	Windel			
194,804				194,804	De Young Museum Art Trust			
1,912				1,912	Health Service			
2,								

EXHIBIT K—PAGE 5

CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO

JUNE 30, 1952

Cash	Interfund Accounts	Total	Fund Balances	Interfund Accounts	Total
\$ 1,115	\$	1,115	\$ 1,115	\$	1,115
4,576		4,576	4,576		4,576
41,426		41,426	41,426		41,426
869		869	869		869
17,616		17,616	17,616		17,616
57,524		57,524	57,524		57,524
518,714		518,714	518,714		518,714
8,378		8,378	8,378		8,378
26,291		26,291	26,291		26,291
25,108		25,108	25,108		25,108
16,350		16,350	16,350		16,350
5,142		5,142	5,142		5,142
663		663	663		663
375		375	375		375
144,555		144,555	144,555		144,555
32,362		32,362	32,362		32,362
1,248		1,248	1,248		1,248
1,764	\$87	1,764	1,764		1,764
20,488		20,488	20,488		20,488
14,891		14,891	14,891		14,891
9,513		9,513	9,513		9,513
90,679		90,679	90,679		90,679
395		395	395		395
465		465	465		465
1,617		1,617	1,617		1,617
10,148		10,148	10,148		10,148
22,976		22,976	22,976		22,976
18,779		18,779	18,779		18,779
51,970		51,970	51,970		51,970
626,255		626,255	626,255		626,255
518,621		518,621	518,621		518,621
190,155		190,155	190,155		190,155
22,982		22,982	22,982		22,982
290		290	290		290
\$ 1,115	\$	1,115	\$ 1,115	\$	1,115
Absent Creditors					
4,576		4,576	4,576		4,576
41,426		41,426	41,426		41,426
869		869	869		869
17,616		17,616	17,616		17,616
57,524		57,524	57,524		57,524
518,714		518,714	518,714		518,714
8,378		8,378	8,378		8,378
26,291		26,291	26,291		26,291
25,108		25,108	25,108		25,108
16,350		16,350	16,350		16,350
5,142		5,142	5,142		5,142
663		663	663		663
375		375	375		375
144,555		144,555	144,555		144,555
32,362		32,362	32,362		32,362
1,248		1,248	1,248		1,248
1,764		1,764	1,764		1,764
20,488		20,488	20,488		20,488
14,891		14,891	14,891		14,891
9,513		9,513	9,513		9,513
90,679		90,679	90,679		90,679
395		395	395		395
465		465	465		465
1,617		1,617	1,617		1,617
10,148		10,148	10,148		10,148
22,976		22,976	22,976		22,976
18,779		18,779	18,779		18,779
51,970		51,970	51,970		51,970
626,255		626,255	626,255		626,255
518,621		518,621	518,621		518,621
190,155		190,155	190,155		190,155
22,982		22,982	22,982		22,982
290		290	290		290
\$2,504,263	\$37	\$2,504,300	\$2,504,300	\$3,214	\$2,504,300
Absent Creditors					
4,576		4,576	4,576		4,576
41,426		41,426	41,426		41,426
869		869	869		869
17,616		17,616	17,616		17,616
57,524		57,524	57,524		57,524
518,714		518,714	518,714		518,714
8,378		8,378	8,378		8,378
26,291		26,291	26,291		26,291
25,108		25,108	25,108		25,108
16,350		16,350	16,350		16,350
5,142		5,142	5,142		5,142
663		663	663		663
375		375	375		375
144,555		144,555	144,555		144,555
32,362		32,362	32,362		32,362
1,248		1,248	1,248		1,248
1,764		1,764	1,764		1,764
20,488		20,488	20,488		20,488
14,891		14,891	14,891		14,891
9,513		9,513	9,513		9,513
90,679		90,679	90,679		90,679
395		395	395		395
465		465	465		465
1,617		1,617	1,617		1,617
10,148		10,148	10,148		10,148
22,976		22,976	22,976		22,976
18,779		18,779	18,779		18,779
51,970		51,970	51,970		51,970
626,255		626,255	626,255		626,255
518,621		518,621	518,621		518,621
190,155		190,155	190,155		190,155
22,982		22,982	22,982		22,982
290		290	290		290
\$2,504,263	\$37	\$2,504,300	\$2,504,300	\$3,214	\$2,504,300
F.I.C.A. Taxes—Redevelopment Agency					
F.I.C.A. Taxes—Municipal Railway					
Withholding Tax—Municipal Railway					
Withholding Tax—S.F. United School District					
Withholding Tax—General					
War Bonds					
Twin Peaks Tunnel Refund					
Traffic Court Suspense					
Sunset Tunnel Assessment Refund					
Street Improvement—Ordinance 1934					
Street Improvement					
Special Badge					
Sheriff's Trust					
Sheriff's Inmate Welfare Fund					
School Teachers' Sabbatical Leave					
Realty Deposits					
Police Department Deposits					
Municipal Court Suspense					
Municipal Court Special					
Municipal Court Bail					
Library Card Deposit					
California Palace of the Legion of Honor					
Juvenile Court					
Jail Stores Deposits					
Electrical Deposits					
Duplicate Taxes					
De Young Museum Trust					
County Clerk Special					
County Clerk Bail					
Coroner's Unclaimed Money					
Adult Probation Officers' Clearing Account					
Adult Probation Officers' Deposit					
Absent Heirs					

EXHIBIT K—PAGE 6
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO
JUNE 30, 1932

Cash	Receivables	Total	Assessment and Redemption Funds:	Fund Balances	Encumbrances	Interfund Accounts
\$ 1,302	\$ 1,302	\$ 1,302	Circular Avenue—Assessment	\$ 1,302		
4,233	4,233	4,233	Circular Avenue—Redemption	4,233		
938	938	938	City Land—Assessment	938		
3,623	3,623	3,623	City Land—Redemption	3,623		
142	142	142	Oakwood Street—Assessment	142		
64	64	64	Saturn Street—Redemption	64		
\$332	332	332	Sunset Tunnel—Assessment	332		
9	9	9	Twin Peaks Tunnel—Assessment	9		
461	461	461	Virginia Avenue—Assessment	461		
\$12,343	\$341	\$ 12,684	Virginia Avenue—Redemption	1,580	\$ 12,684	
\$ 176	176	\$ 176	Golden Gate Bridge and Highway District	176		
317,572	317,572	317,572	Inheritance Taxes	317,572		
75	75	75	Inheritance Taxes—Refunds	75		
2,704	2,704	2,704	Islais Creek Reclamation District—Assessment	2,704		
8,376	8,376	8,376	Islais Creek Reclamation District—General	8,376		
5	5	5	Islais Creek Reclamation District—Interest	5		
2,000	2,000	2,000	Islais Creek Reclamation District—Redemption	2,000		
6,733	6,733	6,733	Law Library	6,733		
277,244	277,244	277,244	State County Fair	277,244		
1,758	1,758	1,758	State Fines and Forfeitures	1,758		
3,218	3,218	3,218	State Sales Tax	3,218		
16,587	16,587	16,587	State Teachers' Annuity Deposit	16,587		
35,241	35,241	35,241	State Teachers' Retirement, Permanent	35,241		
53,870	53,870	53,870	Redevelopment Agency	53,870		
\$725,559	\$725,559	\$725,559		\$725,559		
				\$13,004		
				264,240		
				1,758		
				3,218		
				16,587		
				35,241		
				53,870		
				\$13,004		
				2,000		
				6,733		
				277,244		
				1,758		
				3,218		
				16,587		
				35,241		
				53,870		
				\$9,755		
				\$9,755		

EXHIBIT K—PAGE 7
CITY AND COUNTY OF SAN FRANCISCO
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO
JUNE 30, 1932

[illegible]

TREASURER'S OFFICE

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1952

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER
TREASURER'S OFFICE
REPORT ON EXAMINATION OF ACCOUNTS
For the Fiscal Year Ended June 30, 1952

October 10, 1952

Mr. Harry D. Ross
 Controller
 City and County of San Francisco

Dear Sir:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination was made of the accounts of the Treasurer's Office for the fiscal year ended June 30, 1952.

At the election held November 8, 1949, Mr. John J. Goodwin was elected as Treasurer of the City and County of San Francisco for a four year term beginning January 8, 1950. Mr. Goodwin filed his Oath of Office with the County Clerk on December 13, 1949.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

As directed by you, two reports have been prepared of this examination, as follows:

- (1) One report for publication in the Controller's Annual Report for the fiscal year ended June 30, 1952, the text of which follows.
- (2) A more detailed report hereinafter referred to as "The Detailed Report," substantially identical with the above, supplemented by detailed exhibits. Copies of this report were distributed to City and County Officials, the Grand Jury, the press and to certified public accounting firms engaged this year by the City and County of San Francisco.

AUTHORITY

The Treasurer's Office is conducted under the provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors.

Laws governing the operation of the Treasurer's Office are cited or quoted in applicable sections of this report.

Annual and continuing ordinances and resolutions pertaining to financial transactions in connection with the operation of the Treasurer's Office during the fiscal year 1951-1952 are cited as follows:

Date	Bill* or File No.	Ordinance No.	Resolution No.	Subject Matter
3-14-32	37*	5023	.....	Payroll Procedure
8-16-37	.....	.....	3469	Deposit of Funds in Bank
5-20-41	1233*	1184	.....	Fiscal Agent—New York
6-12-42	.....	.....	2666	U. S. Savings Bonds (Payroll Allot. Plan)
6- 8-44	.....	.....	3786	U. S. Savings Bonds (Sales Fund)
4-16-47	4641*	4376	.....	Bond Ordinance—Treasurer
3-31-48	5216*	4915	.....	Bond Ordinance—Employees
3-20-51	7305	6758	.....	Annual Salary Ordinance
8-11-51	7393	6784	.....	Annual Appropriation Ordinance

Municipal Code, Part 1, Section 103 to 104—Purchasing Procedure

SCOPE OF EXAMINATION

The scope of the examination included a verification of the accounts and records maintained by the Treasurer, as hereinafter reported. In view of the existing method of internal check maintained in the Treasurer's office, and the method of internal check and continuous audit of receipts and disbursements maintained by the Controller's office, a detailed audit of receipts and disbursements was not duplicated by this examination.

Cash and cash items on hand in the Treasurer's office June 30, 1952, totaling \$977,626.48 were verified by count. Cash on deposit in banks in the amount of \$98,187,475.87, as shown by the Treasurer's records, was reconciled with bank statements and confirmed by the several depositories. United States bonds deposited as bail with the Treasurer in the amount of \$94,850.00 par value, were reconciled with the Controller's records. Cash and cash items received after June 30, 1952, and applied to the fiscal year 1951-1952, in the amount of \$635,873.32, were verified by a subsequent audit. The total cash of \$99,895,826.17, as at June 30, 1952, was reconciled with records maintained in the Controller's office.

Securities and other assets in the custody of the Treasurer were examined, counted, and verified as to statutory requirements. Securities on hand were scheduled at par values and confirmed by the respective depositories.

Revenues and expenditures in connection with the operation of the Treasurer's office are currently audited by the Controller's General Office; however, a test check and review is included within the scope of this examination.

Unused pre-numbered fee tags in possession of the Treasurer were in agreement with the tags charged to the Treasurer by the Controller and fee tags used were accounted for.

The Treasurer's office is the depository of funds of the Islais Creek Reclamation District. An examination of the accounts and records of the Islais Creek Reclamation District was not included within the scope of this examination.

EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1952, amounted to \$320,451,577.67, as compared with June 30, 1951, accountability of \$312,810,325.45, summarized from Exhibit "A" as follows:

	June 30, 1952	June 30, 1951
Cash	\$ 99,895,826.17	\$101,656,686.45
Securities at Par Value.....	220,555,712.50	211,148,600.00
Other Deposits	39.00	5,039.00
Total	<u>\$320,451,577.67</u>	<u>\$312,810,325.45</u>

Comments regarding the above items are as follows:

Cash totaling \$99,895,826.17, consisting of cash on hand, cash in banks, and other items representing cash at the close of business June 30, 1952, was in agreement with the amount charged to the Treasurer by the Controller on that date, as indicated in the following comparative summary and reconciliation to Controller's Available Cash of \$92,003,927.43:

	June 30, 1952	June 30, 1951
Cash on Hand:		
Coin and Currency.....	\$ 687,418.65	\$ 664,435.94
Checks on Hand for Deposit.....	289,727.46	202,040.06
Due from Clearing House.....	480.37	
Total—Cash on Hand.....	977,626.48	866,476.00
Cash in Banks:		
Active Accounts	46,362,475.87	48,564,894.19
Inactive Accounts	51,825,000.00	51,785,000.00
Total—Cash in Banks.....	98,187,475.87	100,349,894.19
United States Bonds:		
Bail Deposits	94,850.00	117,300.00
Total Verified June 30.....	99,259,952.35	101,333,670.19
Deposits after June 30, applied to June 30	635,873.82	323,016.26
TOTAL FOR TREASURER, JUNE 30		
(Exhibit A)	99,895,826.17	101,656,686.45
Less: Outstanding Items scheduled below	7,891,898.74 (1)	8,483,482.80
CONTROLLER'S AVAILABLE CASH.....	\$92,003,927.43	\$ 93,173,203.65

(1) According to the records of the Controller's Division of Accounts and Reports, the outstanding items, totaling \$7,891,898.74, consist of:

	General City	Public Service Enterprises	Total
Warrants	\$6,351,143.91	\$1,373,098.33	\$7,724,242.24
Matured and Unpaid			
Bonds	3,000.00	72,000.00	75,000.00
Coupons	16,065.25	76,591.25	92,656.50
	<u>\$6,370,209.16</u>	<u>\$1,521,689.58</u>	<u>\$7,891,898.74</u>

Coin and Currency—\$687,418.65

Coin and currency in the amount of \$687,418.65 were verified by count.

Checks on Hand for Deposit—\$289,727.46

Checks on hand totaling \$289,727.46 were of current date and appeared to have been received in the usual order of business. The checks were deposited on the next business day in the Bank of America, as evidenced by Deposit Receipt No. 9653 for \$289,727.46.

Due from Clearing House—\$480.37

This amount represents an overpayment to the Clearing House on settlement of June 30, 1952. The amount was adjusted with the Clearing House on the next day's business.

Cash in Banks—\$98,187,475.87

Cash confirmed directly to be on deposit in banks at the close of business June 30, 1952, amounting to \$98,446,837.33, was reconciled with the Treasurer's Ledger Balances totaling \$98,187,475.87, as follows:

	Deposits	Active	Inactive	Total
Per Bank Statement.....		\$46,621,837.33	\$51,825,000.00	\$98,446,837.33
Checks drawn but not				
cashed		259,361.46 (1)		259,361.46 (1)
Treasurer's Ledger				
Balance		\$46,362,475.87	\$51,825,000.00	\$98,187,475.87

(1) All checks drawn but not cashed were of current date except one check dated December 20, 1944, for \$50.00 covering a refund of Municipal Court Bail. In accordance with the City Attorney's opinion of December 1, 1949, this item may not be cleared from the Treasurer's records for a period of 10 years, pursuant to provisions of Political Code Sec. 4087b.

The \$98,187,475.87 was on deposit in the following banks:

Depository	Inactive Deposits	Active Accounts	Total	Per Cent of Total
American Trust Co.....	\$ 4,000,000.00	\$ 4,013,085.09	\$ 8,013,085.09	8.16%
Anglo California National Bank	7,375,000.00	5,000,000.00	12,375,000.00	12.60%
Bank of America.....	26,050,000.00	22,735,340.58	48,785,340.58	49.69%
Bank of Canton.....	500,000.00	500,000.00	1,000,000.00	1.02%
Bank of California.....	4,250,000.00	4,250,000.00	8,500,000.00	8.66%
Bank of Montreal.....	500,000.00	500,000.00	1,000,000.00	1.02%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.32%
Crocker First National Bank	1,500,000.00	1,000,000.00	2,500,000.00	2.55%
Pacific National Bank....	500,000.00	500,000.00	1,000,000.00	1.02%
San Francisco Bank.....	2,500,000.00	2,500,000.00	5,000,000.00	5.09%
Wells Fargo Bank & Union Trust Co.....	4,000,000.00	4,714,050.20	8,714,050.20	8.87%
Total in Banks.....	<u>\$51,825,000.00</u>	<u>\$46,362,475.87</u>	<u>\$98,187,475.87</u>	<u>100.00%</u>
Ratio of Deposits.....	<u>52.78%</u>	<u>47.22%</u>	<u>100.00%</u>	

Resolution No. 3469 of the Board of Supervisors, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements as required by law for the deposit of funds under his jurisdiction, and to determine the amounts that shall be deposited in either active or inactive accounts.

The amounts on deposit as at June 30, 1952, are within the limitations specified in Government Code Section 53638, which reads:

"Maximum deposit. The deposit shall not exceed the paid-up capital, exclusive of reserve and surplus, of any depository."

Exhibit A-1 of "Detailed Report" indicates that deposits were covered by collateral securities of Federal, State or other Governmental issues, approved by the Treasurer and the City Attorney, of a market value of \$112,306,908.57 as at June 30, 1952. This is in conformity with provisions of Government Code Section 53651, 53655-53657, requiring a coverage of at least 10% in excess of the amount on deposit.

Cash on deposit in banks in inactive accounts, in the total amount of \$51,825,000.00 as at June 30, 1952, was evidenced by Certificates of Deposits on hand with the Treasurer; and earned interest during 1951-1952 at the rates of 1% or 1½%, hereinafter discussed under "Revenues." All inactive deposit accounts are maintained in compliance with Government Code Section 53643, which reads:

"Term deposits: Maximum term. The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

U. S. Bonds (Bail Deposits)—\$94,850.00

U. S. Bonds having a par value of \$94,850.00, representing deposits with the County Clerk and the Municipal Court as bail, agreed with the amount charged to the Treasurer per Controller's records. Of this amount, Court Orders for the release of \$5,100.00 par value bonds, representing 21 deposits, were validated for payment by the Controller, but not presented to the Treasurer for payment as at June 30, 1952.

Deposits after June 30, 1952—\$635,873.82

The \$635,873.82 represents collections by various City and County departments pertaining to transactions of the fiscal year 1951-1952. The \$635,873.82 was verified as deposited with the Treasurer as follows:

July 1, 1952.....	\$563,523.58
July 2, 1952.....	72,293.76
July 3, 1952.....	56.48
Total	<u>\$635,873.82</u>

Cash and cash items totaling \$99,895,826.17 were detailed by individual funds and reconciled as to cash transactions for the fiscal year 1951-1952; and summarized and compared by fund classifications as follows:

CURRENT FUNDS

	June 30, 1952	June 30, 1951
General City Funds.....	\$36,660,971.34	\$ 30,565,925.21
Public Service Enterprises.....	6,970,412.11	8,144,860.31
General City—Bond Interest Funds.....	35,159.13	40,647.33
Public Service Enterprises—		
Bond Interest Funds.....	912,061.75	956,397.50
General City—Bond Redemption Funds.....	3,000.00	12,000.00
Public Service Enterprises—		
Bond Redemption Funds.....	2,072,000.00	2,055,900.00
TOTAL CURRENT FUNDS.....	46,653,604.33	41,774,730.35

CAPITAL FUNDS

General City Funds.....	25,276,356.19	29,258,107.00
Public Service Enterprises.....	19,980,511.94	21,635,608.85
TOTAL CAPITAL FUNDS.....	45,256,868.13	50,893,715.85

SPECIAL AND TRUST FUNDS

Private Trusts	1,714,520.06	2,047,827.18
Public Trusts	5,545,823.78	6,129,755.51
Assessment and Redemption Funds.....	12,343.55	12,343.55
Agency Funds	712,666.32	798,314.01
TOTAL SPECIAL AND TRUST FUNDS	7,985,353.71	8,988,240.25
TOTAL	\$99,895,826.17	\$101,656,686.45

SECURITIES (PAR VALUE BONDS)—\$220,555,712.50

Securities in the custody of the Treasurer were examined and verifications were made as hereinafter reported. All securities, except collateral securities deposited by banks, and discussed hereinafter, are held in the joint custody vault of the Treasurer and Controller. The total par value of securities charged to the Treasurer at June 30, 1952, is indicated in the following summary:

	Par Value	Controller's Book Value
Securities Held by the Treasurer		
Employees' Retirement Fund.....	\$108,674,462.50	\$109,151,463.68
Bequest and Trust Funds.....	361,000.00	362,289.38
Deposit on Leases.....	111,250.00	111,250.00
Collateral Deposited by Banks.....	111,409,000.00	(1)
Total Bonds	\$220,555,712.50	\$109,625,003.06
Other Deposits		
Bequest Funds (Corporate Stock).....	\$ 39.00	\$ 2,094.25
Total accounted for by the Treasurer		
June 30, 1952.....	\$220,555,751.50	\$109,627,097.31

- (1) These securities are not recorded on the Controller's records. However, the banks certified that the market value of these securities totaled \$112,306,908.57 as at June 30, 1952.

Employees' Retirement Fund—Par Value Bonds—\$108,674,462.50

Verification was made of bonds and coupons attached as at June 30, 1952, in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System. A detailed list of securities showing a total par value of \$108,674,462.50 is contained in work papers of this audit.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year of 1951-1952 were examined and

checked by the Controller's Division of Accounts and Reports, and released to the Treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in memorandum dated August 8, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

Bonds in the par value of \$108,674,462.50 counted and examined as at June 30, 1952, were in agreement with the Controller's records and schedule submitted by the Secretary of the Employees' Retirement Board.

The Employees' Retirement System's bond transactions for the fiscal year of 1951-1952 are summarized from the Controller's records as follows:

	Par Value Bonds
Bonds on hand June 30, 1951, per prior annual audit of the Treasurer's office.....	\$ 94,760,450.00
Add: Bonds purchased during 1951-1952.....	14,629,000.00
	\$109,389,450.00
Deduct: Bonds sold, called or matured during fiscal year 1951-1952	714,987.50
Bonds on hand June 30, 1952.....	\$108,674,462.50 (1)

(1) Includes \$7,741,000.00 of 2½ % Treasury Bonds, exchanged at par value for 2¾ % U. S. Treasury Bonds during May and June of 1952.

Bequest and Trust Funds—\$361,000 Par Value Bonds

Bequest and Trust Fund Bonds having a par value of \$361,000.00 with unmatured interest coupons attached were examined and verified with balances reflected in the Controller's records. Except for the redemption of matured U. S. Treasury Bonds par value \$1,000.00 of the Phelan Bequest, and \$14,000.00 par value of the Fuhrman Bequest, there were no other transactions affecting the bequest and trust funds during the fiscal year.

Collection of interest and principal on bequest and trust fund investments is verified currently by the Controller's Division of Accounts and Reports, and such verification was not duplicated for this audit.

Deposits on Leases—\$111,250.00

Security on various leases of City and County property is represented by deposits of U. S. Treasury Bonds in the total par value of \$111,250.00. The deposits conformed to provisions of related leases and with amounts per Controller's records.

Collateral Securities—Par Value \$111,409,000 00

Collateral Securities with attached unmatured interest coupons on hand in the Treasurer's vault were examined June 30, 1952. Total par value of \$111,409,000.00 was in agreement with the amount shown in the Treasurer's Security Register. These securities consisted of Federal, State, or other Government Bonds of the type required by Government Code Section 53651, and were approved by the Treasurer and City Attorney, in accordance with Government Code Sections 53655 and 53657.

The depositing banks certified directly to the Controller that the collateral securities had a market value of \$112,306,908.57 as at June 30, 1952, which compares with the \$98,475,837.33 the Treasurer had on deposit at that date. The market value of the collateral securities as at that date was at least 10 per cent in excess of the amounts on deposit secured by them, and the amounts of the inactive deposits did not exceed the face value of securities, in conformity with Government Code Sections 53655 and 53657.

It was noted that Government Code Section 53657 provides that deposits in inactive accounts shall not exceed the face value of the notes, bonds, or registered warrants securing them, but that the Code contains no comparable provision with respect to active accounts. However, the Treasurer follows the practice of maintaining active deposit balances below the face value of related collateral securities.

The balance on deposit, the par and market values of related collateral securities, and the percentages of market values in excess of the balance on deposit at June 30, 1952, are itemized in Exhibit A-1 of "Detailed Report."

Other Deposits**Bequest Funds—Corporate Stock**

Other deposits examined in the joint custody vault of the Treasurer were verified against the Controller's records, and consisted of corporate stock belonging to bequest funds as follows:

	Par Value	Controller's Book Value
AUGUST BRUNETTI BEQUEST:		
Bank of America N. T. & S. A.—2 shares Common Stock	\$25.00	\$ 36.50
Transamerica Corporation—7 shares Capital Stock.....	14.00	57.75
LLEWELLA F. LEWIS BEQUEST:		
Smart and Final Company—400 shares Common Stock..No Par		2,000.00
Totals	\$39.00	\$2,094.25

Miscellaneous assets and documents in the joint custody vault of the Treasurer, having no book value, were examined; details of the same are reflected in Exhibit A-3 of "Detailed Report."

UNSOLD CITY AND COUNTY BONDS—\$50,160,000.00

Unsold (unissued) bonds at June 30, 1952, amounted to \$50,160,000.00, and represent the remainder from issues totaling \$162,740,000.00, authorized by the electorate in amounts and on dates indicated below.

Transactions during the year are summarized as follows:

	Total Authorized	Sold		Unsold June 30, 1952
		Prior to 1951-1952	During 1951-1952	
Authorized November 4, 1947				
Street Improvement	\$ 22,850,000	\$11,400,000	\$ 2,500,000	\$ 8,950,000
Municipal Ry. Rehabilitation	20,000,000	19,350,000	650,000	.....
Hetch Hetchy Water.....	25,000,000	23,300,000	.....	1,700,000
Recreation	12,000,000	5,730,000	.....	6,270,000
Off-Street Parking	5,000,000	.....	1,000,000	4,000,000
Authorized June 1, 1948				
Sewage Treatment	15,000,000	10,550,000	2,000,000	2,450,000
Authorized November 2, 1948				
School Bonds	48,890,000	17,000,000	9,100,000	22,790,000
Authorized November 8, 1949				
Airport Bonds	10,000,000	5,900,000	3,100,000	1,000,000
Cherry Valley Dam.....	4,000,000	.....	1,000,000	3,000,000
	<u>\$162,740,000</u>	<u>\$93,230,000</u>	<u>\$19,350,000</u>	<u>\$50,160,000</u>

There were no printed unsold bonds on hand. The amount of \$50,160,000.00 was confirmed against Controller's records. It is the practice of the Treasurer to order the printing of bonds only when a sale has been authorized by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT—NEW YORK

Bill No. 1233, Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides for the rates of compensation of said Fiscal Agent.

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1952, were reviewed. Bonds and coupons paid and cancelled by the Fiscal Agent were verified in detail against the Controller's records and the amounts were confirmed direct to this office by the National City Bank of New York. Compensation of \$11,876.06, paid in quarterly installments for the year, was verified as being properly computed and consisted of the following:

	Par Value	Rate	Earned for 1951-1952
Bonds	\$ 7,837,400.00	1/20 of 1%	\$ 3,918.70
Coupons (198934)	2,761,493.75	4c each	7,957.36
Total	<u>\$10,598,893.75</u>		<u>\$11,876.06</u>

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 1, 1942. In addition, bonds were purchased for employees upon the receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

In accordance with the Controller's Departmental Instructions No. 343, dated June 15, 1950, United States Savings Bonds purchased by the Treasurer on Controller's warrants, for employees on the payroll allotment plan, are to be delivered by the Treasurer to authorized departmental representatives for distribution to employees. The total issue value of bonds purchased by the Treasurer for City and County employees during the fiscal year of 1951-1952 amounted to \$540,262.50, as compared to \$535,968.75 for the previous year. All bonds purchased were delivered to authorized departmental representatives, as evidenced by receipts on file.

Cash on hand with the Treasurer as at June 30, 1952, for the purchase of bonds for future delivery, as shown on the Treasurer's records, amounted to \$36,276.81, which was in agreement with the balance in Controller's Private Trust General Ledger Account—"War Bonds." Reconciliation with related appropriation account balances is made monthly by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES

Revenues and expenditures of the Treasurer's office for the fiscal year under review are compared with the preceding fiscal year as follows:

	1951-1952	1950-1951
Revenues (Derived through the operation of the Treasurer's office)	\$601,758.33	\$551,277.71
Expenditures and Encumbrances (Per Treasurer's Appropriations)	110,735.19	100,398.29
Excess Revenues over Expenditures	<u>\$491,023.14</u>	<u>\$450,879.42</u>

A detailed five-year comparative statement of revenues and expenditures is reflected on Exhibit B of the "Detailed Report."

Revenues—\$601,758.33

Operating revenues collected by the Treasurer during the fiscal year 1951-1952, as compared with those of the preceding fiscal year, are summarized from the Controller's records as follows:

	1951-1952	1950-1951
Interest earned on inactive bank deposits	\$561,932.81	\$522,315.22
Commissions on Inheritance Tax Collections	39,202.02	28,832.49
Duplicate "Inheritance Tax Receipt" fees	89.50	85.00
Conscience Money	534.00	45.00
	<u>\$601,758.33</u>	<u>\$551,277.71</u>

Interest Earned on Bank Deposits—\$561,932.81

Interest totaling \$561,932.81, recorded by the Treasurer, was earned on balances in inactive bank accounts during 1951-1952, and was in agreement with deposits of interest as reflected by the Controller's records.

The interest of \$561,932.81 was verified as computed at rates provided by agreements with the depositaries, on the basis of the average daily balances on deposit in the inactive accounts, and was paid quarterly, in compliance with Government Code Section 53645, under conditions as follows:

- (a) 1% on deposits, callable on 30 days' notice, except the Bank of Canton, which required 90 days' notice;

(b) 1¼ % on deposits callable on 90 days' notice.

No interest was paid by the banks on active account balances.

Comparison of rates and amounts earned with the preceding fiscal year follows:

Rates of Interest	Amounts of Interest Received	
	1951-1952	1950-1951
¾ of 1%		\$ 976.05
1%	\$375,953.07	390,590.01
1½ %		28,356.18
1¼ %	185,979.74	102,392.98
Totals	\$561,932.81	\$522,315.22

Funds	1951-1952 Budget Estimates	Earned and Credited	
		1951-1952	1950-1951
General Fund	\$396,000.00	\$529,506.83	\$490,735.34
Municipal Railway	10,000.00	15,226.91	15,046.45
Totals	\$406,000.00	\$544,733.74 (1)	\$505,781.79
Water Operating	15,000.00	16,898.23	15,929.84
Islais Creek Reclamation Dist.		300.84	603.59
Totals	\$421,000.00	\$561,932.81	\$522,315.22

With respect to the disposition of interest earned on Treasurer's inactive bank deposits, the following legal authorities are quoted:

Government Code—Section 53647

"Interest on all moneys deposited belongs to, and shall be paid quarterly into the general fund of, the local agency represented by the officer making the deposit, unless otherwise directed by law."

Charter Section 82 (in part):

"All interest on moneys deposited shall accrue to the benefit of the City and County, except that interest derived from the deposit of any bond, utility, pension, trust or other funds created for a special purpose shall accrue to such fund. Public money, other than that of City and County, coming into the hands of the Treasurer shall be kept as provided by law."

- (1) Interest in amount of \$544,733.74 indicated in above summary was earned on various balances which were not specifically identified as to source of City and County funds, including the various types of funds enumerated above in Section 82 of the Charter, and was prorated to the General Fund (\$529,506.83) and Municipal Railway (\$15,226.91) on the basis of average quarterly balances, by the Treasurer's Office.

The \$16,898.23 credited to Water Operating Fund was earned by two accounts maintained specifically in the name of the San Francisco Water Department, the Anglo California National Bank account which earned \$9,387.88 at 1¼ %, and the Bank of America account earning \$7,510.35 at 1%.

The credit of \$300.84 to the Islais Creek Reclamation District was earned at 1% on a specific account for the district, maintained in the Bank of America.

Commissions on Inheritance Tax Collections—\$39,202.02

The California Inheritance Tax Act (Revenue and Taxation Code Section 14797) reads in part as follows:

"The maximum commissions that may be retained by the county treasurer out of total inheritance taxes paid to and accounted for by him in any one calendar year is as follows:

- (b) By treasurer of a county of the second class, \$40,000.00."

Accounts maintained by the Treasurer for Inheritance Tax purposes are recorded through the use of State Controller pre-numbered forms; are subject to settlements every two months; and to detailed audits by the State Controller's Office. Such detailed audit was not duplicated.

The inheritance tax commission of \$39,202.02 resulted from settlements

with the State made during 1951-1952, summarized from Treasurer's records as follows:

Covering Months of	Total Collections	Distribution			
		Refunds	Appraiser's Fees	Treasurer's Commissions	Payments to the State
June-July 1951..	\$ 559,865.03	\$ 13,717.41	\$ 4,204.34	\$ 5,531.23	\$ 536,512.05
Aug.-Sep. 1951..	776,559.06	21,048.24	825.86	4,576.95	750,108.01
Oct.-Nov. 1951..	917,509.14	18,152.49	2,726.40	6,495.47	890,134.78
Dec.-Jan. 1952..	680,832.94	28,056.70	3,963.25	10,218.70	638,594.29
Feb.-Mar. 1952..	986,749.66	9,942.39	2,497.85	6,394.33	967,915.09
Apr.-May 1952..	894,597.84	37,089.42	3,638.77	5,985.34	847,884.31
Totals	\$4,816,213.67	\$128,006.65	\$17,856.47	\$39,202.02	\$4,631,148.53

Inheritance Tax Collections recorded by the Treasurer's Office in the total of \$4,816,213.67 were verified and reconciled with the deposits shown by the Controller's Revenue Division. The commissions of \$39,202.02 earned by the Treasurer were confirmed directly by the State Controller's Office. Refunds of \$128,006.65, Appraiser's Fees of \$17,856.47, Treasurer's Commissions of \$39,202.02, and Payments to the State of \$4,631,148.53 were reconciled with expenditures reflected in related Controller's appropriation accounts.

Duplicate "Inheritance Tax Receipt" Fees and Safe Deposit Box Examination Fees—\$89.50

A fifty cent fee for a "Duplicate Inheritance Tax Receipt," and one dollar fee for "Listing Contents of Safe Deposit Box," is charged by the Treasurer in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees are subject to the Controller's prescribed revenue procedure and are currently audited by the Controller's General Office. The deposit of fees to the General Fund was verified against the Controller's records.

Conscience Money—\$534.00

The \$534.00 represents remittances, from unidentified sources, deposited with the Treasurer as conscience money.

Expenditures and Encumbrances—\$110,735.19

Expenditures and encumbrances from appropriations to the Treasurer's Office for the fiscal year 1951-1952 totaling \$110,735.19 are summarized from the Controller's records as follows:

	Budgeted Appropriations 1951-1952	Appropriations as Modified	Expenditures and Encumbrances
Appropriations Direct to Department			
Permanent Salaries	\$ 92,385.00	\$ 90,136.30	\$ 89,986.30
Overtime	500.00	1,000.00	776.54
Contractual Services	16,805.00	2,105.00	1,672.99
New York—Fiscal Agent.....		14,700.00	14,700.00
Use of Employees' Cars.....	200.00	200.00	177.17
Materials and Supplies.....	2,200.00	2,200.00	1,985.15
Equipment	1,471.00	1,671.00	1,324.91
Appropriated to the Department Through Purchaser of Supplies			
Telephone and Telegraph.....	150.00	150.00	112.13
Total	\$113,711.00	\$112,162.30	\$110,735.19

Exhibit "B" of "Detailed Report" reflects a comparison of revenues and appropriation expenditures and encumbrances of the Treasurer's office for fiscal year 1951-1952 and 4 prior years.

Permanent Salaries—\$89,986.30

The 1951-1952 Salary Ordinance, File No. 7305, Ordinance No. 6758, Section 8, provides for 19 permanent employments in the Treasurer's office at rates prescribed therein on a forty hour week basis.

A review of the department's time roll for the payroll period ended June 30, 1952, indicated that employments thereon did not exceed the number and amount for each classification as provided by the Annual Salary Ordinance.

New York—Fiscal Agent—\$14,700.00

Compensation was provided for the National City Bank of New York, Fiscal Agent, by Contract No. 138, certified by the Controller in the estimated amount of \$14,700.00, which represents expenditures of \$10,248.08 for the first three quarters, and \$4,451.92 for an encumbrance as at June 30, 1952. The encumbrance of \$4,451.92 covered the final quarter, and was liquidated in August, 1952, for \$1,627.98, thus adjusting the estimated contract cost of \$14,700.00 to the actual cost of \$11,876.06, as heretofore detailed.

Other Expenditures and Encumbrances—\$6,048.89

Expenditures and Encumbrances from other appropriations, in the total of \$6,048.89 detailed above, were currently audited by the Controller's General Office and such audit was not duplicated in this examination. However, a separate examination made during 1951-1952 indicated that the Treasurer's Office is complying substantially with the procedures and accounting methods as prescribed in the Procurement Procedure, as amended.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit E of "Detailed Report."

COMMENT

The records maintained in the Treasurer's office appear to be in order and systematically arranged to furnish the information required for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during the examination is acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

Martin W. Judnich

B-14 Senior Accountant (Field Audits)

EXHIBIT A
TREASURER
SUMMARY OF CASH, SECURITIES AND
OTHER DEPOSITS

	As at June 30	
	1952	1951
Cash:		
On deposit in treasury.....	\$ 977,626.48	\$ 866,476.00
On deposit in banks.....	98,187,475.87	100,349,894.19
Available Cash	99,165,102.35	101,216,370.19
U. S. Bonds (Par Value).....	94,850.00	117,300.00
Cash received after June 30, and applied to fiscal year under review.....	635,873.82	323,016.26
Total Cash	\$ 99,895,826.17	\$ 101,656,686.45
Securities (Par Value Bonds):		
Collateral from banks.....	\$111,409,000.00	\$115,905,900.00
Employees' Retirement Fund.....	108,674,462.50	94,760,450.00
Bequest Funds	346,000.00	361,000.00
Trust Funds	15,000.00	15,000.00
Deposits on Leases.....	111,250.00	106,250.00
Total Securities	\$220,555,712.50	\$211,148,600.00
Other Deposits:		
Bequest Funds (Corporate Stock).....	\$ 39.00	\$ 39.00
Deposit on Lease.....		5,000.00
Total Other Deposits.....	\$ 39.00	\$ 5,039.00
Total Cash, Securities and Other Deposits.....	\$320,451,577.67	\$312,810,325.45
Treasurer's Liability for:		
Cash	\$ 99,895,826.17	\$101,656,686.45
Securities (Par Value).....	220,555,712.50	211,148,600.00
Other Deposits	39.00	5,039.00
Total Treasurer's Liability for Cash, Securities and Other Deposits.....	\$320,451,577.67	\$312,810,325.45

San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1952

Touche, Niven, Bailey & Smart

Certified Public Accountants

100 BUSH STREET, SAN FRANCISCO 4, CALIFORNIA

October 20, 1952.

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1952, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as commented on in the following paragraph.

Our engagement did not contemplate the application of normal audit procedures with respect to cash deposited with Treasurer and with respect to the determination of bonded debt at June 30, 1952. We obtained confirmation from the Controller of the City and County of San Francisco of cash deposited with Treasurer and of bonded debt at June 30, 1952, and applied other audit procedures in support of these accounts.

Our report, program of examination, and working papers on this engagement have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

In our opinion, subject to the limitations on the scope of our examination of cash deposited with Treasurer and of bonded debt, as explained in the second preceding paragraph, the accompanying combining balance sheet and combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco at June 30, 1952, and the results of their operations for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

TOUCHE, NIVEN, BAILEY & SMART,
Certified Public Accountants.

**CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING BALANCE SHEET
JUNE 30, 1952**

ASSETS

Combined	Estimations	Water Department	Hetch Hetchy Water Supply and Power Project
\$204,105,855.60		\$88,987,022.46	\$115,118,833.14
Properties in service (including \$5,958,543.00 water rights and other intangible properties)		312,648.81	467,531.00
Properties not in service			\$115,586,364.14
Less accumulated depreciation		30,008,010.08	28,654,454.64
		\$59,291,661.19	\$86,931,909.50
Construction in progress		2,010,080.95	5,709,303.64
Total Property, Plant, and Equipment		\$61,301,742.14	\$92,641,213.14
Cash deposited with Treasurer		\$ 3,980,554.16	\$ 8,875,776.66
Revolving funds		30,000.00	4,000.00
Cash in transit		2,651.78	2,651.78
Total Cash		\$ 6,010,554.16	\$ 8,882,428.44
Accounts Receivable (Note B):			
Consumers' accounts	\$ 1,187,561.26	\$ 969,327.48	\$ 218,233.78
Miscellaneous accounts	78,039.54	78,039.54	
	\$ 1,265,600.80	\$ 1,047,367.02	\$ 218,273.78
Less allowance for doubtful accounts	4,000.00	4,000.00	
Total Accounts Receivable	\$ 1,261,600.80	\$ 1,043,367.02	\$ 218,273.78
Due from City and County of San Francisco (Note C):			
Other public service departments	\$ 368,645.59	\$ 127,347.19	\$ 448,461.58
General departments and funds	1,401.30	977.30	424.00
Total Due from City and County of San Francisco	\$ 370,046.89	\$ 128,324.49	\$ 448,885.58
Deferred Charges and Other Assets:			
Materials and supplies	\$ 731,181.72	\$ 689,120.27	\$ 42,061.45
Deferred maintenance and development costs	193,291.07	40,914.10	152,376.97
Deposits and miscellaneous accounts	147,008.04	70,268.42	76,739.62
Total Deferred Charges and Other Assets	\$ 1,071,480.83	\$ 800,302.79	\$ 271,178.04
	\$171,539,066.40	\$69,284,290.60	\$102,461,938.98

See notes to financial statements.

LIABILITIES

Combined	Estimations	Water Department	Hetch Hetchy Water Supply and Power Project
\$ 5,032,000.00	\$ 1,568,000.00	\$ 3,464,000.00	\$ 1,568,000.00
Bonded Debt (Note D):			
Maturing within one year	73,406,100.00	54,537,000.00	18,869,100.00
Maturing after June 30, 1953			
Total Bonded Debt	\$ 73,406,100.00	\$ 54,537,000.00	\$ 18,869,100.00
Accrued Bond Interest	1,309,139.40	1,253,000.00	56,139.40
Accounts Payable and Accrued Liabilities:			
Matured bonds and interest coupons not presented for payment	117,841.71	117,841.71	
Warrants outstanding	21,641.30	21,641.30	
Accounts payable	21,117.10	21,117.10	
Income taxes and other amounts withheld from employees	20,949.66	20,949.66	
Retained funds under contracts	7,400,000.00	7,400,000.00	
Consumers' deposits and construction advances	267,412.57	267,412.57	
Rent accrued under Raker Act	15,000.00	15,000.00	
Total Accounts Payable and Accrued Liabilities	\$ 1,786,111.48	\$ 1,653,264.32	\$ 132,847.16
Due to City and County of San Francisco (Note E):			
Other public service departments	\$ 30,904.06	\$ 105,961.28	\$ 171,967.22
General departments and funds	70,167.96	71,989.04	21,418.88
Total Due to City and County of San Francisco	\$ 101,072.02	\$ 177,950.32	\$ 193,386.10
Reserves (Note E):			
Workmen's compensation claims and other	\$ 160,055.38	\$ 138,545.25	\$ 20,457.07
Unamortized Bond Premium	\$ 13,656.65		\$ 13,656.65
Surplus (Investment of City and County of San Francisco)	\$ 30,238,121.21	\$ 42,881,826.81	\$ 12,643,704.40
Commitments and Contingent Liabilities (Note F and G):			
and purchase orders			
Less deferred charges for materials, supplies, and construction costs	1,029,000.00		
	\$171,539,066.40	\$69,284,290.60	\$102,461,938.98

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING STATEMENT OF SURPLUS
YEAR ENDED JUNE 30, 1952

BALANCE AT JULY 1, 1951			ADDITIONS:		
\$81,608,793.13			Excess of revenues over expenses		
			Advances from federal government for Cherry Valley Reservoir		
			project (Note A)		
			Adjustment of property, plant, and equipment and related accumulated		
			depreciation pursuant to provisions of Section 128 of the Charter		
			(Note A)		
			Total Additions		
\$90,235,121.21			INTERDEPARTMENTAL TRANSFERS (charges* or credits):		
			For cost of Bay Division Pipeline No. 3 and other properties in service		
			with Water Department (Paid from proceeds of 1947 Hetch Hetchy		
			Water Bonds)		
			For portion of bond redemption and interest on 1947 Hetch Hetchy Water		
			Bonds applicable to properties in service with Water Department:		
			Bond redemption		
			Interest		
			For miscellaneous adjustments		
			Total Interdepartmental Transfers		
			BALANCE AT JUNE 30, 1952		
			See notes to financial statements.		
Combined	Water	Department	Hetch Hetchy	Water Supply	and Power
			Project		
\$17,565,456.19	\$34,043,336.94	\$81,608,793.13			
\$3,209,919.76	\$ 1,553,127.01	\$ 4,763,046.77			
3,290,000.00					
573,281.31	573,281.31				
\$ 3,783,201.07	\$ 4,843,127.01				
\$37,826,538.01	\$52,408,583.20				
\$90,235,121.21	\$37,826,538.01				
\$10,540,364.24	\$10,540,364.24*				
365,042.00*	142,546.34*	142,546.34			
6,019.51*	6,019.51				
\$10,026,756.39	\$10,026,756.39				
\$42,381,826.81	\$42,381,826.81				

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT HETCH HETCHY WATER SUPPLY AND POWER PROJECT COMBINING STATEMENT OF REVENUES AND EXPENSES YEAR ENDED JUNE 30, 1932

	Combined	Eliminations	Water Department	Hetch Hetchy Water Supply and Power Project
OPERATING REVENUES:				
Sales of water and services.....	\$11,351,399.94	\$3,445,250.00	\$11,351,399.94	\$3,445,250.00
Sales of electrical energy.....	4,009,143.65			4,009,143.65
Total Operating Revenues.....	\$15,360,543.59	\$3,445,250.00	\$11,351,399.94	\$7,454,393.65
OPERATING EXPENSES:				
Production expenses.....	\$ 427,935.09	\$3,445,250.00	\$ 3,445,250.00	\$ 427,935.09
Stand-by charge and purchases of water.....	470,292.46		327,486.05	470,292.46
Purchases of electrical energy.....	317,687.03		317,687.03	
Pumping.....	748,809.62		748,809.62	
Purification.....	124,965.54		124,965.54	
Transmission and distribution of water.....	1,180,157.23		1,180,157.23	
Commercial expenses.....	534,445.61		534,445.61	
Administrative and general expenses.....	1,353,205.56		1,010,322.67	342,882.89
Provision for doubtful accounts.....	3,596.01		3,596.01	
Depreciation.....	\$ 5,488,580.20	\$3,445,250.00	\$ 6,512,562.53	\$2,421,267.67
Total Operating Expenses.....	\$ 8,134,675.89	\$3,445,250.00	\$ 948,787.58	\$4,118,875.78
	\$ 7,225,867.70		\$ 3,890,049.83	\$3,835,817.87
OTHER REVENUES:				
Rentals received, including sales of crops.....	\$ 281,417.60		\$ 258,620.58	\$ 22,797.02
Interest earned.....	84,800.87		16,898.23	46,715.57
Miscellaneous.....	\$ 383,116.70		\$ 313,604.11	\$ 69,512.59
Total Other Revenues.....	\$ 7,608,984.40		\$ 4,203,653.94	\$3,403,330.46
OTHER EXPENSES:				
Interest on bonded debt.....	\$ 2,778,540.94		\$ 928,586.17	\$1,849,954.77
Agricultural division and crop expenses.....	63,668.10		63,668.10	2,248.68
Miscellaneous.....	3,728.59		1,479.91	
Total Other Expenses.....	\$ 2,845,937.63		\$ 993,734.18	\$1,852,203.45
Excess of Revenues Over Expenses.....	\$ 4,763,046.77		\$ 3,209,919.76	\$1,553,127.01

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1952

NOTE A—PROPERTY, PLANT, AND EQUIPMENT

Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission is to make an appraisal of the properties and a redetermination of annual depreciation every five years. The initial appraisal made in accordance with this Charter provision applied to the fiscal year ended June 30, 1938, and subsequent appraisals and redeterminations of depreciation have been made for fiscal years ended in 1943 and 1948. Findings of the Commission, or representatives of the utilities audit staff of the Controller's office designated by the Commission to perform such appraisals and redeterminations, are recorded in the property and accumulated depreciation accounts as of June 30, 1952. Additions to property accounts subsequent to June 30, 1948, have been recorded at cost and annual depreciation since that date has been adjusted to give effect to redetermined depreciation rates. The carrying amount of the properties and the accumulated depreciation at June 30, 1952, are subject to further review and adjustment by the Public Utilities Commission in the fiscal year ending in 1953 and every five years after that date so long as Section 128 of the Charter is effective.

Adjustments for the appraisal and redetermination of depreciation as of June 30, 1948, were recorded in the accounts of the Water Department in the year ended June 30, 1952, and resulted in a reduction of the carrying amount of the asset of \$154,325.25 and a reduction of accumulated depreciation of \$725,101.31. The net adjustment, after miscellaneous reclassifications of construction in progress and other deferred charges, was carried as a credit to surplus in the amount of \$573,281.31 for this fiscal year. Similar adjustments applicable to the Hetch Hetchy Water Supply and Power Project were recorded in the preceding fiscal year.

Total additions to combined properties in service during the year ended June 30, 1952, were \$11,287,542.67. The major addition was the Bay Division Pipeline No. 3 which has been included in properties in service of the Water Department at a cost of \$10,017,254.75.

A summary of the properties in service and properties not in service and related accumulated depreciation at June 30, 1952, follows:

	Properties	Accumulated Depreciation
Properties in service:		
Water Department:		
Water rights and other intangible prop- erties	\$ 3,222,913.00	
Land and rights of way.....	13,818,310.17	
Buildings, structures, and grounds.....	1,263,750.55	\$ 716,452.22
Source of water supply.....	30,400,945.16	7,263,290.08
Pumping station equipment.....	819,266.91	463,294.35
Purification system	201,936.65	77,484.34
Transmission and distribution system..	37,746,294.74	20,742,298.86
General equipment	252,151.33	146,002.04
Automotive equipment	375,638.21	203,425.62
Undistributed interest during construc- tion	885,815.74	261,239.03
Total Water Department.....	\$ 88,987,022.46	\$29,873,486.54
Hetch Hetchy Water Supply and Power Project:		
Water supply properties:		
Water rights and other intangible properties	\$ 2,735,630.00	
Land and rights of way.....	1,317,652.39	\$ 79,098.52
Buildings, structures, and grounds.....	294,811.81	100,170.41
Source of water supply.....	97,365,606.77	21,373,880.04
Purification system	37,207.00	22,242.90
General equipment	333,458.33	187,371.59
Total water supply properties.....	\$102,084,366.30	\$21,762,763.46
Power properties:		
Land and rights of way.....	\$ 143,542.99	
Buildings, structures, and grounds.....	1,746,030.92	\$ 938,906.26
Hydraulic production plant.....	8,196,069.46	3,879,893.09
Transmission system	2,617,471.38	1,983,494.73
General equipment	331,352.09	60,338.88
Total power properties.....	\$ 13,034,466.84	\$ 6,862,832.96
Total Hetch Hetchy Water Sup- ply and Power Project.....	\$115,118,833.14	\$28,625,596.42
Total properties in service.....	\$204,105,855.60	\$58,499,082.96
Properties not in service:		
Water Department	\$ 312,648.81	\$ 134,523.54
Hetch Hetchy Water Supply and Power Project	467,531.00	28,858.22
Total properties not in service....	\$ 780,179.81	\$ 163,381.76
	<u>\$204,886,035.41</u>	<u>\$58,662,464.72</u>

A summary of construction in progress at June 30, 1952, follows:

Water Department:

Sutro Reservoir	\$1,282,506.04
Sutro pipe system.....	273,475.10
Guadalupe by-pass	133,200.56
Lake Merced pumps.....	128,440.21
Other	192,459.04
Total Water Department.....	\$2,010,080.95

Hetch Hetchy Water Supply and Power Project:

San Joaquin Pipeline No. 2.....	\$3,519,667.89
Cherry Valley Reservoir.....	1,415,309.40
Sunset Supply Line.....	90,195.88
Access roads	290,036.60
Interest during construction.....	239,361.17
Other	154,732.70
Total Hetch Hetchy Water Supply and Power Project.....	\$5,709,303.64
Total construction in progress.....	\$7,719,384.59

Major construction projects in progress at June 30, 1952, have estimated total costs of \$35,000,000.00. Costs to complete these projects, exclusive of commitments at June 30, 1952, are approximately \$16,000,000.00.

The costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$13,000,000.00. A portion of the funds necessary for construction is provided by the federal government under provisions of a contract, dated August 29, 1949, between the federal government, and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.00, of which \$1,000,000.00 had been issued at June 30, 1952.

The funds from the federal government under provisions of the contract dated August 29, 1949, are presently estimated in the contract at \$8,000,000.00. At June 30, 1952, the government had paid \$4,805,000.00 pursuant to the contract, represented by \$119,062.72 as payments for proportionate work performed and \$4,685,937.28 as advances. Both the payments for proportionate work performed and the advances received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the federal government are subject, on the part of the government, to the appropriation by Congress of funds for the accomplishment of the objectives of the contract, which funds have currently been appropriated in the amount of \$7,270,900.00.

A supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that the funds presently estimated to be provided by the government in the amount of \$8,000,000.00 under the contract dated August 29, 1949, will be expended toward construction of the Cherry Valley Reservoir and that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. The supplemental agreement further provides that, subject to the fiscal provisions of its law, the City and County of San Francisco will participate in the construction of a new reservoir at Don Pedro, title to which will vest in the irrigation districts.

NOTE B — ACCOUNTS RECEIVABLE

Revenues for water and power services furnished consumers are taken into income when they are billed. In general, major industrial consumers of water and consumers of electrical energy are billed each month, and residential and small industrial consumers of water are billed bi-monthly.

In August, 1952, the Water Department billed certain of its consumers additional sums for water furnished in the period generally from June, 1950, to June, 1952, following a legal opinion of the City Attorney that contracts with these consumers, providing for delivery of water at discounts or free of charge, were illegal and unenforceable. The billings pursuant to this opinion, approximately \$124,000.00, are to be taken into income when collected. The accompanying financial statements for the year ended June 30, 1952, include neither the asset nor the deferred revenue arising from these billings. Certain of the consumers affected by these retroactive billings have filed claims against the City and County of San Francisco for damages. No provision has been made in the accompanying financial statements for losses, if any, resulting from these claims, which are being defended by the City Attorney.

**NOTE C — DUE FROM AND DUE TO CITY AND
COUNTY OF SAN FRANCISCO**

A summary of accounts due from and due to the City and County of San Francisco follows:

	Due From	Due to
Other public service departments:		
Water Department:		
Hetch Hetchy Water Supply and Power Project	\$123,528.84	\$ 83,634.34
San Francisco Airport.....	2,854.35	
Municipal Railway	812.61	
Public Utilities Commission.....	151.39	22,326.89
Total Water Department.....	\$127,347.19	\$105,961.23
Hetch Hetchy Water Supply and Power Project:		
Water Department	\$ 83,634.34	\$123,528.84
San Francisco Airport.....	24,608.37	636.65
Municipal Railway	13,980.11	7,165.44
Public Utilities Commission.....	326,238.76	465.38
Total Hetch Hetchy Water Supply and Power Project	\$448,461.58	\$131,796.31
	\$575,808.77	\$237,757.54
Eliminate accounts between Water Department and Hetch Hetchy Water Supply and Power Project	207,163.18	207,163.18
Combined total other public service departments	\$368,645.59	\$ 30,594.36
General departments and funds:		
Water Department:		
Department of Public Works.....	\$ 90.01	\$ 5,897.83
Recreation and Park Department.....	101.09	
School Department	786.20	
Real Estate Department.....		18.55
Employees' Retirement System.....		28,346.96
Purchasing Department		725.70
Total Water Department.....	\$ 977.30	\$ 34,989.04
Hetch Hetchy Water Supply and Power Project:		
Recreation and Park Department.....	\$ 424.00	\$ 18.15
Real Estate Department.....		2,301.42
Employees' Retirement System.....		18,034.23
Purchasing Department		65.06
Controller's Department		4,000.00
Total Hetch Hetchy Water Supply and Power Project	\$ 424.00	\$ 24,418.86
Combined total general departments and funds	\$ 1,401.30	\$ 59,407.90
Combined total due from and due to City and County of San Francisco.....	\$370,046.89	\$ 90,002.26

NOTE D — BONDED DEBT

Unmatured bonded debt of the City and County of San Francisco applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project aggregates \$78,438,000.00 at June 30, 1952. An additional \$1,700,000.00 and \$3,000,000.00 of bonds are authorized and unissued as of that date under the 1947 Hetch Hetchy Water and 1949 Cherry Valley Dam issues, respectively. The bonds have been issued upon the general faith and credit of the City and County of San Francisco in accordance with resolutions adopted by the Board of Supervisors following authorization by the electors.

A summary of unmaturred bonded debt at June 30, 1952, follows:

Water Department:

Spring Valley — 1928, 4½ %	\$19,000,000.00
Water Distribution — 1933, 4 %	1,120,000.00
Total Water Department	<u>\$20,120,000.00</u>

Hetch Hetchy Water Supply and Power Project:

Water — 1910, 4½ %	\$13,000,000.00
Hetch Hetchy Water — 1925, 5 %	4,250,000.00
Hetch Hetchy — 1928, 4½ %	15,600,000.00
Hetch Hetchy — 1932, 2¾ % to 5¾ %	3,700,000.00
Hetch Hetchy Dam — 1933, 4 %	350,000.00
1947 Hetch Hetchy Water, Series A — 1948, 1¾ % to 2½ %	6,000,000.00
1947 Hetch Hetchy Water, Series B — 1948, 1½ %	800,000.00
1947 Hetch Hetchy Water, Series C — 1949, 1¼ %	1,550,000.00
1947 Hetch Hetchy Water, Series D — 1949, 1 % to 6 %	8,074,000.00
1947 Hetch Hetchy Water, Series E — 1950, 1¼ % and 1½ %	3,994,000.00
1949 Cherry Valley Dam, Series A — 1952, 1¼ % and 1½ %	1,000,000.00

Total Hetch Hetchy Water Supply and Power Project	<u>\$58,318,000.00</u>
Total unmaturred bonded debt	<u>\$78,438,000.00</u>

In general the bonds mature serially at varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

Year Ending June 30,	Amount
1953	\$5,032,000.00
1954	5,026,000.00
1955	4,877,000.00
1956	5,027,000.00
1957	4,638,000.00

NOTE E — CONTINGENT LIABILITIES

Contingent liabilities as of June 30, 1952, are as follows:

As self-insurer generally against casualty losses of property; against claims for public liability, property damage, and workmen's compensation; and against water contamination damages. The ultimate losses under these self-insured risks are indeterminable. Reserves aggregating \$166,035.35, at June 30, 1952, have been established to provide generally for workmen's compensation, public liability, and property damage claims and, in addition, to provide for vacations and sick leave of certain employees, the total liability for which is indeterminable.

Under retirement plan arrangements, authorized by the electors, payments of approximately \$283,000.00 were made in the year ended June 30, 1952, to the Employees' Retirement System to cover a portion of the cost of the plan for present services for that year. The remainder of the cost of the plan, including prior service pension costs, is paid jointly by the participating employees and the City and County of San Francisco. The portion of the total cost applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project is determined by consulting actuaries and is expressed as a percentage of the salaries and wages of participating employees.

NOTE F — GENERAL

The accompanying financial statements relate only to the assets and liabilities of the City and County of San Francisco designated and recorded as employed in the operations of the Water Department and the Hetch Hetchy Water Supply and Power Project.

Under provisions of Section 122 of the Charter, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1952.

During the year ended June 30, 1952, water furnished to certain municipal departments without charge amounted to approximately \$631,000.00, computed by the Water Department at regular billing rates. This amount has been computed in token of compliance with Section 64 of the Charter which provides generally for an estimate of the amount of property and other taxes for which utilities would be liable if privately owned.

Municipal Railway of San Francisco



REPORT ON EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1952

L. H. Penney & Co.

Certified Public Accountants

San Francisco, California

October 10, 1952

Honorable H. D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:—

We have examined the financial statements of the Municipal Railway of San Francisco listed below:

EXHIBIT A — Balance Sheet, June 30, 1952

Schedule A-1 — Summary of Road and Equipment for the
Year Ended June 30, 1952

Schedule A-2 — Summary of Road and Equipment Depre-
ciation for the Year Ended June 30, 1952

Schedule A-3 — Unmatured Bonded Debt, June 30, 1952

EXHIBIT B — Statement of Income for the Years Ended
June 30, 1952 and 1951, and Comparison

EXHIBIT C — Statement of Surplus for the Year Ended
June 30, 1952

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our report and working papers have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, the accompanying financial statements present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1952, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the previous year.

Very truly yours,

L. H. PENNEY & CO.

OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements, and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway, without verification by us.

The operations of the Railway for the year ended June 30, 1952 resulted in a loss of \$3,117,327.58 as compared with a loss of \$1,530,409.64 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1952 and 1951, is as follows:

	Year Ended June 30		Increase
	1952	1951	(Decrease)
Operating income:			
Passenger revenue	\$18,083,097	\$17,860,166	\$ 222,931
Advertising, rents, etc.	159,256	168,811	(9,555)
Total operating income	\$18,242,353	\$18,028,977	\$ 213,376
Operating expenses	21,038,451	19,537,887	1,500,564
Loss from operations	\$ 2,796,098	\$ 1,508,910	\$1,287,188
Other income	24,243	359,890	(335,647)
Remainder	\$ 2,771,855	\$ 1,149,020	\$1,622,835
Other expense	345,473	381,390	(35,917)
Loss for year	\$ 3,117,328	\$ 1,530,410	\$1,586,918

The increase in passenger revenue was caused primarily by the increase in the basic cash fare from ten cents to fifteen cents, which increase became effective June 1, 1952. Statistical records compiled by the Railway indicate that cash fares at the fifteen cent rate were collected from 12,448,929 passengers during the month of June, 1952, yielding approximately \$622,000 more revenue than would have been received from the previous ten cent fare. The foregoing increase in revenue was partially offset by a decrease of approximately \$430,000 in revenues because of a reduction, below the previous year, of 2.46% in the number of revenue passengers carried.

Statistical records of the Railway show the mileage the various types of equipment were operated, as follows:

Type of Equipment	Year Ended June 30				Increase (Decrease) Mileage
	1952	Per cent of total	1951	Per cent of total	
Motor coaches	15,663,059	53.44	17,152,765	58.5	(1,489,706)
Trolley coaches	9,117,636	31.11	7,396,864	25.2	1,720,772
Electric street cars	3,937,841	13.43	4,411,817	15.0	(473,976)
Cable cars	592,066	2.02	367,765	1.3	224,301
Total	29,310,602	100.00	29,329,211	100.0	(18,609)

The increase in cable car mileage resulted from acquisition of the properties of California Street Cable Railway Company on January 7, 1952.

Operating income and expenses are expressed in cents per mile of operation as follows:

	Cents Per Mile		
	Year Ended June 30		Increase
	1952	1951	(Decrease)
Operating income:			
Passenger revenue	61.695	60.895	.800
Advertising, rents, etc. ....	.543	.576	(.033)
Total operating income.....	62.238	61.471	.767
Operating expenses:			
Maintenance and repairs—			
Ways and structures.....	2.349	2.062	.287
Equipment	7.320	6.856	.464
Total maintenance and repairs.....	9.669	8.918	.751
Power	7.116	6.819	.297
Conducting transportation	33.951	31.716	2.235
General and miscellaneous	8.421	8.441	(.020)
Taxes .....	.550	.323	.227
	59.707	56.217	3.490
Provision for accident claims.....	6.018	4.567	1.451
Provision for depreciation	6.053	5.832	.221
Total operating expense.....	71.778	66.616	5.162
Loss from operations.....	9.540	5.145	4.395

The increase in operating expense for the year ended June 30, 1952 as compared with that of the previous year for each of the major expense classifications, segregated between payroll and other costs is as follows (cents omitted):

	Increase (Decrease) In Operating Expense		
	Total	Payroll	Other
Maintenance and repairs:			
Ways and structures	\$ 83,553	\$ 21,100	\$ 62,453
Equipment	134,966	108,940	26,026
	\$ 218,519	\$130,040	\$ 88,479
Power	85,609	36,536	49,073
Conducting transportation	649,215	639,028	10,187
General and miscellaneous	(7,341)	(3,415)	(3,926)
Taxes	66,291		66,291
	\$1,012,293	\$802,189	\$210,104
Provision for accident claims.....	424,314		424,314
Provision for depreciation.....	63,957		63,957
Increase in operating expense.....	\$1,500,564	\$802,189	\$698,375

The increase in payroll costs was caused primarily by increases in rates of pay effective as of July 1, 1951. The rate of pay for platform men, whose wages are the major portion of the Railway's payroll cost, were increased slightly more than 6.9% on July 1, 1951. The comparative rates for some of the principal payroll classifications for the year under review and for the year preceding were as follows:

Classification	Per	Rates effective	
		July 1, 1951	July 1, 1950
Platform men	Hour	\$ 1.636	\$ 1.53
Trackmen	Day	13.60	12.40
Shop mechanics	Day	14.96	13.44
Senior shop mechanics	Day	17.60	16.80
Automotive mechanics	Week	89.00	85.00
Automotive machinists	Week	94.00	90.00
Car cleaners and janitors	Month	\$220—\$270	\$190—\$230
Inspectors	Month	300— 350	290— 340
General Clerks	Month	225— 285	200— 250

Expenses of maintenance and repair of ways and structures, other than payroll costs, increased chiefly because of expenditures aggregating \$95,663.53 for removal of track on Mission Street.

The increase in power expenses, other than payroll costs, was due principally to replacement of cables in lines acquired from California Street Cable Railway Company on January 7, 1952.

The Railway and its employees became subject to the Federal Social Security Act, as amended, effective January 1, 1951. Accordingly, operating expenses for the year ended June 30, 1952 included the Railway's tax under the Act, for a full year, as compared with only six months in the preceding year, thus accounting for the increase in taxes shown above. If privately owned, the Railway would be subject to assessment for taxes by the City and County of San Francisco, the State of California, and the Federal Government, in addition to Federal Old-Age and Survivors' Insurance tax. It is impracticable to compute the amount of additional taxes to which the Railway would be subject if privately owned.

BALANCE SHEET

The financial position of the Railway at June 30, 1952 is summarized and compared with the financial position at June 30, 1951, as follows:

	June 30 1952	1951	Increase (Decrease)
Assets:			
Fixed capital (net book value)	\$22,219,813.26	\$20,850,591.78	\$1,369,221.48
Cash	3,196,515.72	5,903,468.39	(2,706,952.67)
Accounts receivable	213,239.69	85,493.79	127,745.90
Deferred charges:			
Materials and supplies	795,431.91	918,498.17	(123,066.26)
Other items	46,917.03	11,478.59	35,438.44
Commitments	340,505.47	2,385,371.21	(2,044,865.74)
Total	\$26,812,423.08	\$30,154,901.93	(\$3,342,478.85)
Liabilities and surplus:			
Bonded debt	\$18,570,000.00	\$19,420,900.00	(\$850,900.00)
Bond interest payable	124,292.50	133,436.25	(9,143.75)
Accounts payable, commitments, etc.	2,015,494.87	4,120,344.24	(2,104,849.37)
Reserves	3,511,206.00	2,544,158.09	967,047.91
Deferred credits	15,757.70	20,220.51	(4,462.81)
Contributed surplus	8,349,767.62	5,815,650.47	2,534,117.15
Deficit from operations	(5,774,095.61)	(1,899,807.63)	(3,874,287.98)
Total	\$26,812,423.08	\$30,154,901.93	(\$3,342,478.85)

The decrease in cash at June 30, 1952, as compared with June 30, 1951, is shown by the following summary of funds provided and funds applied.

Funds applied:

Net loss for year ended June 30, 1952		\$3,117,327.58	
Less charges to expense accounts not involving disbursements of cash:—			
Provision for depreciation.....	\$1,774,354.44		
Excess of provision for accident claims over payments of claims and related expenses	181,085.85		
Adjustment of valuation of materials and supplies to estimated salvage or useful values	35,000.00		
Addition to reserve for employees' compensation claims	30,000.00		
Provision for uncollectible accounts receivable	448.36	2,020,888.65	
Decrease in funds due to operations.....		\$1,096,438.93	
Additions to fixed capital.....		3,216,390.27	
Redemption of bonded indebtedness.....		1,500,900.00	
Increase in accounts receivable.....		128,194.26	
Increase in deferred charges.....		35,438.44	
Decrease in accounts payable, commitments, etc.		59,983.63	
Decrease in bond interest payable.....		9,143.75	
Decrease in deferred credits.....		4,462.81	
Decrease in reserve for token liability.....		998.34	\$6,051,950.43
Less funds provided:			
Contributions from City and County of San Francisco (Exhibit C).....	\$2,534,117.15		
Bonds sold	650,000.00		
Net book value of fixed capital retired.....	72,814.35		
Decrease in materials and supplies.....	88,066.26	3,344,997.76	
Decrease in cash at June 30, 1952.....		<u>\$2,706,952.67</u>	

ROAD AND EQUIPMENT — \$46,487,464.10**ESTIMATED DEPRECIATION TO DATE — \$24,518,575.44**

The recorded value of the Railway's investment in fixed capital other than construction work in progress, at June 30, 1952, is set forth in the accompanying Schedule A-1, and the related depreciation at the same date in Schedule A-2.

A substantial portion of the fixed capital is recorded in the accounts at appraisal valuations as of various dates as determined by the Public Utilities Commission of the City and County of San Francisco. The amounts shown in the accompanying Schedule A-1 under the caption "Market Street Extension" are appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for the amount of \$150,000.00 and contributed to the Railway. These properties were recorded in the accounts of the Railway at a net book value of \$150,000.00 when acquired, as follows:

Fixed capital accounts; estimated reproduction cost, as determined by the Public Utilities Commission.....	\$3,796,650.00
Depreciation accounts; estimated depreciation of reproduction cost to date of acquisition, January 7, 1952.....	<u>3,646,650.00</u>
Net book value	<u>\$ 150,000.00</u>

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property subsequent to June 30, 1938, with the exception of those mentioned hereinbefore, are recorded substantially at cost. Retirements have been entered at recorded valuations when obtainable, otherwise at estimated valuations prepared by engineers.

The fixed capital accounts include a substantial amount for properties not presently in operation, including approximately seventy miles of track, representing approximately forty-seven per cent of total track owned. It appears desirable that an engineering survey be made to determine and segregate the net book value of all nonoperated property.

It is the practice of the Railway to make its first provision for depreciation of an addition to fixed capital in the year following that in which the asset is put into service and to charge income with a full year's provision in the year of retirement.

Additions to road and equipment during the year ended June 30, 1952, other than the properties of California Street Cable Railway Company, are as follows:

Ways and structures:

Land—

Southwest corner of Russian Avenue and London Street	\$ 7,749.65	
Other	6,636.31	\$ 14,385.96

Construction of track ways and curves at various locations	71,499.40
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Reconstruction of tracks—

Ocean Avenue, Junipero Serra Boulevard, and Phelan Avenue	\$ 332,419.41	
Twin Peaks tunnel	16,468.82	
Powell Street cable line.....	65,271.47	
Other locations	50,665.92	464,825.62

Construction of waiting stations.....	21,976.87
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Construction and repairs to offices and buildings	62,408.65
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Installation of trolley coach overhead—

Mission Street lines	\$ 197,028.15	
Van Ness Avenue and Potrero Street (No. 47 line)	277,117.32	
Other	32,339.11	506,484.58

Construction of feeder installation at West Portal substation	70,011.92
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Construction of terminal at Ocean and Phelan Avenues	95,310.99
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Additional construction costs incurred in connection with trolley coach overheads installed in previous year	29,857.04
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Other	33,032.59
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Total ways and structures.....	\$1,369,793.62
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Equipment:

Forty trolley coaches	\$ 835,751.60
Twenty-five street cars	943,787.25
Ten trucks	70,660.11
Shop equipment for various locations.....	24,174.71
Electric heaters installed in trolley coaches.....	11,068.69
Used fare boxes	8,181.28
Other	13,611.61

Total equipment	\$1,907,235.25
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Power:

Repair roof of substation	\$ 5,535.14	
Other	1,607.99	7,143.13

Total	\$3,284,172.00
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Recorded retirements are as follows:

	Road and Equipment	Depreciation to Date of Retirement
Ways and structures:		
Tracks, etc.:		
Second Street from Market Street to Brannan Street, and Brannan Street from Second Street to Third Street.....	\$ 147,824.00	\$ 147,376.10
Lincoln Way from Third Avenue to Forty-eighth Avenue	26,181.00	22,253.85
Crossings at First and Mission Streets and at Fremont and Mission Streets.....	11,296.19	11,112.98
Townsend Street from Third Street to Fourth Street	23,526.09	23,406.84
Parker Street from California Street to Euclid Avenue, and Euclid Avenue from Parker Avenue to Arguello Boulevard.....	49,860.00	49,539.45
Thirty-third Avenue from Geary Street to Clement Street, and Clement Street from Thirty-second Avenue to Thirty-third Avenue	35,955.77	35,318.85
Portions of track on O'Farrell, Larkin, Post, and Hyde Streets	207,238.26	206,445.31
Portions of track on Twenty-second Street, Twenty-fourth Street, Chattanooga Street, and Dolores Street	212,562.29	210,785.68
Powell Street cable line.....	47,617.00	47,617.00
Ocean Avenue from Junipero Serra Boulevard to Phelan Avenue.....	194,989.06	194,543.26
McAllister Street yard, yard structures.....	16,556.00	14,900.42
Buildings:		
Twenty-fourth and Utah Streets.....	87,745.19	59,760.95
Turk and Webster Streets	23,951.00	23,925.72
Other, including sundry buildings, tracks, etc...	157,869.42	146,315.46
Total ways and structures.....	<u>\$1,243,171.27</u>	<u>\$1,193,301.87</u>
Equipment:		
Twenty-five electric street cars.....	\$ 192,495.64	\$ 184,995.64
Seven passenger automobiles	7,641.74	7,267.55
Ten motor trucks	17,156.81	16,299.38
Three electric service cars	40,640.42	39,394.31
Eighteen motor coaches	226,259.43	214,693.20
Other	2,749.53	1,348.54
Total equipment	<u>\$ 486,943.57</u>	<u>\$ 463,998.62</u>
Total	<u><u>\$1,730,114.84</u></u>	<u><u>\$1,657,300.49</u></u>

The building at Twenty-fourth and Utah Streets, which was used for gasoline motor coach maintenance and storage, was partially destroyed by fire in March, 1952. The building was not insured. The Railway carries fire insurance coverage on its gasoline and trolley coaches and "PCC" type electric street cars, but does not carry fire insurance coverage on other properties.

Comments on other items on the balance sheet follow.

CASH — \$3,196,515.72

Cash at June 30, 1952 consisted of the following:

On deposit with the Treasurer of the
City and County of San Francisco:

1947 Municipal Railway Rehabilitation bond fund.....	\$ 961,795.64
Operating fund	1,671,551.55
Reconstruction and replacement fund.....	539,609.23
Bond interest funds	3,022.00
Bond redemption fund	1,000.00
Bond fund—Market Street Railway Refinancing Issue of 1947	<u>4,537.30</u>
Total on deposit with Treasurer.....	\$3,181,515.72
Revolving funds	<u>15,000.00</u>
Total cash	<u>\$3,196,515.72</u>

The Controller's audit staff examined the accounts of the Treasurer as of June 30, 1952. Our verification of cash on deposit was, therefore, limited to a review of the working papers prepared by the Controller's audit staff.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories, and cash on hand was counted or confirmations were obtained from custodians for amounts shown to be in their possession.

ACCOUNTS RECEIVABLE — \$76,729.62

Accounts receivable at June 30, 1952 were summarized as follows:

State of California, for share of costs of relocation of facilities required in connection with construction of Bayshore Freeway	\$15,940.22
Post Office Department	14,583.33
Advertising revenue	16,710.52
Charter services	20,463.26
Pole rentals	3,769.50
Claims under excess coverage liability insurance.....	4,892.18
Other	370.61
Total	\$76,729.62

Requests for confirmation were mailed to various debtors with respect to balances included in the above summary; replies received were satisfactory. It appears that the amount of \$448.36 deducted for estimated uncollectibles is adequate to cover possible losses in collection of the accounts.

MATERIALS AND SUPPLIES — \$830,431.91

The amount shown under this caption is the aggregate book value of the inventories of materials and supplies, including \$26,034.44 for the value of metal tokens, as of June 30, 1952. This amount was determined by a tabulation of perpetual inventory records as of May 25, 1952, adjusted for subsequent receipts and issues to June 30, 1952. It is understood that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts.

A valuation reduction account in the amount of \$35,000.00 has been provided for estimated obsolescence of materials, other than metal tokens, based on the opinion of officials of the Railway. Metal tokens have not been used in public circulation since April, 1949, and in the absence of any future use, it appears that these have only a scrap metal value. It is not conclusively established, however, that the tokens have no future usefulness.

We have made tests of the quantities in the inventory by physical counts, and have tested the pricing and computations. Our tests indicated that the inventories are priced at average cost or, as to certain items reduced from cost in prior years, at estimated scrap value.

RESERVE FOR ACCIDENT CLAIMS — \$3,300,000.00

A summary of the changes in this reserve during the year ended June 30, 1952 is as follows:

Balance, July 1, 1951.....		\$2,361,953.75
Provision for accidents:		
Current year	\$1,763,826.33	
Additional provision for prior years' claims.....	756,960.40	2,520,786.73
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Total		\$4,882,740.48
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers.....	\$1,171,219.43	
Services of City Attorney's office.....	104,150.00	
Claims department payroll	133,423.32	
Cost of excess liability insurance coverage.....	173,986.01	
Miscellaneous (credit) net	(38.28)	1,582,740.48
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Balance, June 30, 1952.....		\$3,300,000.00

RESERVE FOR EMPLOYEES' COMPENSATION CLAIMS — \$205,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1952 as furnished by the City and County of San Francisco Employees Retirement System.

DEFERRED CREDITS — \$15,757.70

Deferred credits at June 30, 1952 consist of unamortized bond premium, \$13,657.42, and of miscellaneous minor items, final disposition of which is being deferred to subsequent periods, aggregating \$2,100.28.

**EXHIBIT A
MUNICIPAL RAILWAY OF SAN FRANCISCO
BALANCE SHEET, JUNE 30, 1952**

ASSETS		LIABILITIES	
FIXED CAPITAL (see Note 1):		BONDED DEBT:	
Road and equipment (Schedule A-1)	\$46,487,464.10	Unmatured bonds (Schedule A-3)	\$ 1,526,000.00
Less estimated depreciation to date	24,518,575.44	Maturing within one year	17,043,000.00
(Schedule A-2)		Maturing subsequent to June 30, 1953	\$18,569,000.00
Road and equipment, net book value	\$21,968,888.66	Total unmatured bonds	\$18,569,000.00
Construction work in progress	250,924.60	BOND INTEREST PAYABLE:	
CASH:		Accrued but not due	\$ 121,985.00
On deposit with treasurer	\$ 3,181,515.72	Matured coupons not presented for payment	124,292.50
Revolving funds	15,000.00	ACCOUNTS PAYABLE, COMMITMENTS, ETC.:	
Less estimated uncollectibles	448.36	Outstanding warrants and payroll deductions	\$ 936,903.88
ACCOUNTS RECEIVABLE	\$ 76,729.62	General creditors	286,815.23
		Estimated additional wages for prior years	45,000.00
		Federal old age benefits accrued tax	22,971.64
		Total accounts payable and accrued	\$ 1,291,690.75
Uncompleted contracts, purchase orders, and other commitments—(see contra):		Uncompleted contracts, purchase orders, and other commitments (see contra)	263,514.74
Materials and supplies, net book value	\$ 793,431.91	INTERFUND ACCOUNTS PAYABLE AND COMMITMENTS:	
Prepaid insurance premiums and other deferred charges	46,917.03	Due to General City and County	\$ 307,864.76
Uncompleted contracts, purchase orders, and other commitments—(see contra):		Due to other public service enterprises	75,433.89
Materials and supplies	\$ 830,431.91	Total interfund accounts payable	\$ 383,298.65
Less estimated obsolescence	35,000.00	Uncompleted work orders to other city departments (see contra)	76,990.73
INTERFUND ACCOUNTS RECEIVABLE:			
Due from General City and County	\$ 126,678.25		
Due from other public service enterprises	10,280.18		
	\$ 136,958.43		
DEPRECATED CHARGES:			
Materials and supplies	\$ 830,431.91		
Less estimated obsolescence	35,000.00		
Materials and supplies, net book value	\$ 793,431.91		
Prepaid insurance premiums and other deferred charges	46,917.03		
Uncompleted contracts, purchase orders, and other commitments—(see contra):			
To outsiders	\$263,514.74		
To other city departments	76,990.73		
Total	\$26,812,423.08	Total	\$26,812,423.08

NOTES: 1. See notes on Schedule A-1 and A-2 regarding carrying value of road and equipment and regarding Railway's depreciation policy. Under the annual appropriation ordinance, as amended, for the fiscal year 1952-53, \$437,000 of surplus has been appropriated for operations.

SCHEDULE A-1
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1952

Balances, June 30, 1951	Municipal Railway	Market Street Extension	Combined	California Street Cable Railway (see Note 3)	Other	Retirements	Municipal Railway	Market Street Extension	Combined

WAY AND STRUCTURES:

\$ 152,732.33	\$ 61,610.00	\$ 214,342.33	\$ 80,000.00	\$ 14,385.96	\$ 138,892.97	\$ 152,732.33	\$ 61,610.00	\$ 214,342.33	\$ 171,969.70
Grading									1,171,969.70
Other land									1,235,269.41
Ballast									682,306.64
Ties									430,527.62
Rails, rail fastenings, and joints									1,943,878.25
Special track work									715,978.25
Underground construction									2,184,720.06
Track and roadway labor									2,309,216.97
Paving									2,676,387.36
Roadway machinery and tools									83,168.37
Tunnels and subways									14,987.49
Bridges, trestles, and culverts									39,717.85
Crossings, fences, and signs									48,201.58
Signals and interlocking apparatus									17,778.01
Communication systems									1,741.00
Poles and fixtures									198.00
794,347.26									52,017.12
Underground conduits									413,502.28
2,655,419.11									3,815,283.31
Distribution system									3,040,152.22
Shops, carhouses, and garages									862,308.45
Stations, miscellaneous buildings, and structures									34,845.00
\$ 13,791,799.49	\$ 8,150,665.84	\$ 21,942,465.33	\$ 2,999,515.00	\$ 1,369,793.62	\$ 12,43,171.27	\$ 13,791,799.49	\$ 8,150,665.84	\$ 21,942,465.33	\$ 25,068,709.68

TOTAL WAY AND STRUCTURES

\$ 1,596,198.80	\$ 154,978.00	\$ 1,596,198.80	\$ 536,794.00	\$ 648,523.00	\$ 124,137.54	\$ 1,596,198.80	\$ 536,794.00	\$ 648,523.00	\$ 2,170,184.36
Electric street cars									691,172.30
Cable cars									154,978.00
Motor coaches									670,218.05
Trolley coaches									7,565,999.67
Fare boxes									156,196.07
Service equipment, electric									115,078.25
Electric equipment of street cars and trolley coaches									94,798.33
Shop equipment									412,024.00
Furniture and office equipment									899,181.37
Automotive and miscellaneous									213,584.38
Service equipment									214,885.55
\$ 16,249,233.83	\$ 1,795,216.94	\$ 18,044,450.77	\$ 585,451.00	\$ 1,907,235.25	\$ 486,943.57	\$ 18,044,450.77	\$ 585,451.00	\$ 1,907,235.25	\$ 20,050,193.15
TOTAL EQUIPMENT									
Substation buildings									364,706.25
Power plant equipment, cable cars									361,962.00
Substation equipment									631,291.66
Transmission system									10,276.76
\$ 174,852.01	\$ 974,988.83	\$ 1,149,840.84	\$ 211,256.00	\$ 7,143.13	\$ 393,251.14	\$ 1,149,840.84	\$ 211,256.00	\$ 7,143.13	\$ 1,368,239.97
TOTAL POWER									
FRANCHISE									\$ 428.00
TOTAL									\$ 46,487,464.10

(See Notes on following Page)

SCHEDULE A-2
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1952
(Concluded)

NOTES

1. Depreciation applicable to additions to or replacements of Market Street Extension properties is included under the caption "Municipal Railway."
2. The amounts shown above for accumulated depreciation in California Street Cable Railway properties are engineers' estimates of such depreciation as of the date the properties were acquired. The gross appraisal valuations of the properties are recorded in the related fixed capital accounts (Schedule A-1).
3. It is the policy of the Railway to take a full year's depreciation in the year of retirement and no depreciation in the year in which the asset is put into service.

EXHIBIT B
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1952 AND 1951, AND COMPARISON

	Year Ended June 30, 1952	1951	Increase (Decrease)
OPERATING INCOME:			
Passenger revenue	\$18,083,096.94	\$17,860,166.01	\$ 222,930.93
Advertising revenue	128,756.22	141,484.39	(12,728.17)
Rents	10,322.98	8,868.37	1,454.61
Other	20,177.23	18,458.52	1,718.71
TOTAL OPERATING INCOME	\$18,242,353.37	\$18,028,977.29	\$ 213,376.08
OPERATING EXPENSES:			
Maintenance and repairs:			
Ways and structures.....	\$ 688,378.12	\$ 604,825.52	\$ 83,552.60
Equipment	2,145,633.50	2,010,667.03	134,966.47
Total maintenance and repairs	\$ 2,834,011.62	\$ 2,615,492.55	\$ 218,519.07
Power	\$ 2,085,612.48	\$ 2,000,003.69	\$ 85,608.79
Conducting transportation..	9,951,141.57	9,301,926.01	649,215.56
General and miscellaneous..	2,468,354.83	2,475,696.22	(7,341.39)
Taxes	161,149.89	94,859.09	66,290.80
Total operating expense before provisions for accidents and depreciation	\$17,500,270.39	\$16,487,977.56	\$1,012,292.83
Provision for accident claims	\$ 1,763,826.33	\$ 1,339,512.45	\$ 424,313.88
Provision for depreciation (Schedule A-2)	1,774,354.44	1,710,397.02	63,957.42
TOTAL OPERATING EXPENSES	\$21,038,451.16	\$19,537,887.03	\$1,500,564.13
LOSS FROM OPERATIONS (forward)	\$ 2,796,097.79	\$ 1,508,909.74	\$1,287,188.05

EXHIBIT B
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1952 AND 1951, AND COMPARISON
(Concluded)

	Year Ended June 30, 1952	1951	Increase (Decrease)
LOSS FROM OPERATIONS ((Brought forward)	\$2,796,097.79	\$1,508,909.74	\$1,287,188.05
OTHER EXPENSES:			
Interest on bonded debt	\$ 287,001.45	\$ 284,605.13	\$ 2,396.32
Adjustments of valuation of materials and supplies to estimated salvage or useful value	35,000.00	36,784.97	(1,784.97)
Provision for estimated additional wages for prior years	23,471.67	60,000.00	(36,528.33)
TOTAL OTHER EXPENSES	\$ 345,473.12	\$ 381,390.10	(\$ 35,916.98)
GROSS LOSS	\$3,141,570.91	\$1,890,299.84	\$1,251,271.07
OTHER INCOME:			
Interest on bank balances.....	\$ 15,226.91	\$ 15,046.45	\$ 180.46
Gain on sale of land to San Francisco Unified School District		121,000.00	(121,000.00)
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income....	9,016.42	223,190.87	(214,174.45)
Warrants of prior periods credited to income.....		652.88	(652.88)
TOTAL OTHER INCOME..	\$ 24,243.33	\$ 359,890.20	(\$ 335,646.87)
NET LOSS	\$3,117,327.58	\$1,530,409.64	\$1,586,917.94

EXHIBIT C
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF SURPLUS FOR THE
YEAR ENDED JUNE 30, 1952

CONTRIBUTED SURPLUS:

Balance, July 1, 1951.....		\$5,815,650.47
Add contributions from City and County of San Francisco:		
From General Taxes.....	\$1,808,400.65	
From General Fund:		
For purchase of California Street Cable Railway Company Properties (Initially transferred to the Public Utilities Com- mission in the previous fiscal year and subsequently transferred to the Railway)	150,000.00	
For operation of former California Street Cable Railway Properties.....	79,584.00	
From Capital Improvement Fund for pay- ment of 1947 Municipal Railway Re- habilitation Bond Fund and Market Street Railway Refinancing Bond Fund, bond interest and redemption.....	487,132.50	
From Reserve Fund to pay overtime to schedule department employees	9,000.00	2,534,117.15
BALANCE, JUNE 30, 1952.....		<u>\$8,349,767.62</u>

DEFICIT FROM OPERATIONS:

Deficit, July 1, 1951.....		\$1,899,807.63
Add—		
Additional provision for estimated liability on accident claims of prior years.....	\$ 756,960.40	
Loss from operations for the year ended June 30, 1952 (Exhibit B).....	3,117,327.58	3,874,287.98
DEFICIT, JUNE 30, 1952.....		<u>\$5,774,095.61</u>

Airport Department

SAN FRANCISCO AIRPORT—SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended June 30, 1952

CITY AND COUNTY OF SAN FRANCISCO

Office of the Controller

December 4, 1952.

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT—SAN MATEO COUNTY
Examination of Accounts
For the Year Ended June 30, 1952

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, an examination has been made of the accounts of the San Francisco Airport, San Mateo County, for the fiscal year ended June 30, 1952. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Schedules based on this examination are submitted herewith as follows:

- Exhibit A Balance Sheet June 30, 1952
- Exhibit A
Schedule 1 Statement of Fixed Capital Under Construction,
June 30, 1952
- Exhibit B Surplus Account June 30, 1952
- Exhibit C Statement of Income and Expense, Years Ended
June 30, 1952, and June 30, 1951
- Exhibit D Comparative Report of Aircraft Movements and Traffic,
including Domestic and International Activities

The examination was limited to the verification of assets and liabilities at June 30, 1952, and an analytical review and test check of the revenue and expenses of the fiscal year ended as of that date. A general review of the accounting methods was made and the accounting records and the evidence in support thereof were examined or tested in a manner and to the extent considered appropriate in view of the system of internal accounting control. Verification of the property accounts was limited to a review of the recorded additions and retirements during the year.

Fixed capital is recorded in the accounts at appraised values established by the Bureau of Engineering of the Public Utilities Commission under the provisions of Section 128 of the Charter, plus subsequent additions at cost, or appraised values, less retirements at appraised values or at recorded or estimated cost in the case of unappraised items of property. It is our understanding that the general basis for all appraisals herein referenced, is the cost of the property at the time it was first placed in service. In connection with the appraisals of and additions to property, the engineers have estimated the depreciable value and useful life thereof; provisions for depreciation based thereon are charged to income.

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	In Service	Accrued Depreciation	Net Book Value
Balance, June 30, 1951.....	\$40,854,065.27	\$4,860,692.83	\$35,993,372.44
Additions and betterments....	15,175.86	832,193.45 (1)	-817,017.59
Adjustment of prior year's depreciation expense		-9.55	9.55
Total	\$40,869,241.13	\$5,692,876.73	\$35,176,364.40
Retirements	75,699.14	61,101.12	14,598.02
Balance, June 30, 1952.....	<u>\$40,793,541.99</u>	<u>\$5,631,775.61</u>	<u>\$35,161,766.38</u>

(1) Provision for the year charged to operating expenses.

Additions and Betterments—\$15,175.86

Additions to and betterments of fixed capital in service were financed through the 1945 and 1949 Bond Funds, Special Aviation Fund and the Operating Fund as follows:

Land	\$ 4,850.17
Equipment	4,896.08(1)
Power supply and street lighting system.....	2,792.28
Land plane port buildings.....	2,637.33
Total additions and betterments.....	<u>\$15,175.86</u>

- (1) Includes purchase from Special Aviation Fund in the amount of \$1,464.50.

Retirements—\$75,699.14**Sale of marine railroad—\$72,126.00**

The marine railroad, declared unfit and unnecessary for use, retired in the total amount of \$72,126.00, was sold by the Purchaser of Supplies to the highest bidder for \$618.00. The reserve for depreciation was debited with the amount provided therein, \$57,701.00, and the unrealized loss in service value of \$13,807.00 was debited to miscellaneous additions to and deductions from income.

Equipment—\$3,573.14

As at July 30, 1952, formal approval was in process whereby the Purchaser of Supplies will adjust the Airport's equipment inventory to reflect the retirement of equipment in the total amount of \$3,573.14. The reserve for depreciation was debited with the amount provided therein, \$3,400.12, and the unrealized loss in service value, \$173.02, was debited to miscellaneous additions to and deductions from income.

Fixed Capital Under Construction

The projects classified as fixed capital under construction are listed in Exhibit A, Schedule I, and are summarized as follows:

Balance, July 1, 1951.....	\$ 843,457.42
Additions:	
1945 Bond Fund.....	\$ 104,786.03
1949 Bond Fund.....	149,594.50
Federal Airport Project.....	1,031,673.62
	<u>1,286,054.15</u>
	\$2,129,511.57
Transferred to Fixed Capital in Service.....	9,762.91
Balance, June 30, 1952.....	<u>\$2,119,748.66</u>

All of the transactions in this account were financed by the 1945 and 1949 Bond Fund and the Federal Airport Project except that charges for interest during construction, which are in relation to the 1945 and 1949 Bond Funds, are allocations of the interest budgeted in the Airport Operating Fund.

Surplus

The summary of the changes in this account for the fiscal year 1951-1952 shown in Exhibit B is in such detail as to require no further comments.

Contingent Liability

A review of the Controller's claim register and supplemental data indicated claims filed against the Airport unsettled as at June 30, 1952, as follows:

Date of Accident	Claimant	Amount Claimed	Date Filed with Controller	Type of Claim
5-23-50	San Mateo Airport	\$ 329.22	7-22-50	Property damage
1-11-51	John S. Broome	305.38	3- 8-51	Property damage
4-27-51	Lee Grant	150.00	5-25-51	Property damage
11-10-51	M. J. Wickersham	3,000.00	12- 3-51	Personal injury
6-17-52	T. R. Mitchell	76.57	6-24-52	Property damage

Insurance carrier was notified of above cited claims.

On February 2, 1951, Trans World Airlines, Inc., brought suit against the City and County of San Francisco et al in the District Court of the United States for declaratory relief on written contract and injunction pendente lite,

preliminary and final. Generally the plaintiff seeks to have the court adjudge and declare that the plaintiff's sole obligation and duty under its basic lease as supplemented and amended is to pay the rental therein set forth, and that upon payment of said rental plaintiff may use and enjoy all the facilities of the San Francisco Airport in the course of its business. In its answer to the complaint and in its cross-complaint the City maintains that, notwithstanding the basic lease, and further, under the very terms of the document, full power and authority is conferred upon the City to charge plaintiff for the use of various facilities in common use at the Airport at the same rates and charges imposed upon various other aircraft lines, which rates and charges were legally adopted in accordance with the provisions of Charter Section 130.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims or pending litigation involving the Airport other than as indicated above.

Statement of Income and Expense

Reference is made to Exhibits C and D for a tabulation of the operating revenues and expenses, bond interest expense and such of the statistics as relate to operating revenue.

The increase in operating revenues stems primarily from the increase in aviation activities and increased rates and charges effective January 1, 1951. As a result of the increased traffic through the Airport, non-aviation activities and services were generated and/or stimulated.

Operating expenses increased over the preceding year principally because of the statutory provisions affecting salaries and wages, the pension and retirements related thereto, and additional provision for depreciation, although the reduction in taxes paid lessened the increase by \$65,348.45. Comment on depreciation appears hereinbefore under additions to and betterments of fixed capital.

Opinion

It is our opinion, subject to the comments set forth herein, that the accompanying balance sheet and statements of surplus and income and expense fairly present the financial condition of the San Francisco Airport, San Mateo County, as at June 30, 1952, and the results of its operation for the fiscal year ended that date.

Respectfully submitted,

NATHAN B. COOPER,
Supervisor, Utility Audits.

EXHIBIT A
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
BALANCE SHEET AS AT JUNE 30, 1952

ASSETS

Fixed Capital:		
In service	\$40,793,541.99	
Less reserve for depreciation.....	5,631,775.61	
Net book value.....	\$35,161,766.38	
Under construction (Schedule 1).....	2,119,748.66	\$37,281,515.04
Cash:		
On deposit with City and County Treasurer.....	\$11,611,656.31	
Revolving Fund	2,500.00	11,614,156.31
Accounts Receivable:		
Federal grants	\$ 928,626.63	
Revenues accrued and other receivables (net)	197,240.88	1,125,867.51
Interfund Accounts:		
Due from general city and county.....	\$ 6,569.56	
Due from other public service enterprises.....	636.65	7,206.21
Deferred Charges:		
Materials and supplies.....	\$ 7,338.45	
Contracts, purchase orders, interfund commitments, etc. (contra).....	7,444,162.89	
Other deferred items.....	15,354.09	7,466,855.43
Total Assets		\$57,495,600.50

LIABILITIES AND SURPLUS

Bonded Debt:		
Maturing within year ending June 30, 1953..	\$ 1,779,000.00	
Maturing Sept. 1, 1953, through Apr. 1, 1966	16,288,000.00	\$18,067,000.00
Bond Interest:		
Matured coupons not presented for payment..	\$ 1,462.50	
Accrued, not due.....	51,933.11	53,395.61
Accounts Payable:		
Outstanding warrants	\$ 22,632.87	
General creditors	228,775.23	
Contracts, purchase orders, etc. (contra).....	7,369,809.41	7,621,217.51
Interfund Accounts:		
Due to general city and county.....	\$ 18,329.54	
Due to other public service enterprises.....	40,642.66	
Interfund commitments (contra).....	74,353.48	133,325.68
Deferred Credits		40,751.59
Total Liabilities		\$25,915,690.39
Surplus—Exhibit B		31,579,910.11
Total Liabilities and Surplus.....		\$57,495,600.50

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
SURPLUS
YEAR ENDED JUNE 30, 1952

Surplus, June 30, 1951, annual report of Controller		\$30,212,675.86
Add:		
Contributions:		
Ad valorem tax for operating services.....	\$1,470,968.82	
Purchase and use tax for bond interest and redemption	241,625.50	
Grants from federal government.....	345,000.00	
State of California—special aviation fund	12,015.03	2,069,609.35
		<u>\$32,282,285.21</u>
Deduct:		
Net loss—fiscal year 1951-1952.....		702,375.10
Surplus, June 30, 1952.....		<u><u>\$31,579,910.11</u></u>

EXHIBIT C
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1952 AND JUNE 30, 1951

	June 30, 1952	June 30, 1951
OPERATING REVENUES:		
Air Carrier Flight Operations:		
Scheduled	\$274,669.80	\$198,595.09
Scheduled feeder lines.....	14,425.34	10,601.01
Non-scheduled	4,422.78	4,121.18
Total Air Carrier Flight Operations.....	<u>\$293,517.92</u>	<u>\$213,317.28</u>
Rentals:		
Aircraft outdoor storage.....	\$ 7,263.66	\$ 6,244.06
Airport property		
Unimproved	17,088.79	16,957.03
Paved	29,594.99	25,413.49
Ramp area	10,226.52	12,593.73
Expansion area	2,445.00	2,415.00
Hangars		
Entire hangars	55,200.24	41,929.38
Partial hangars	867.20	542.45
Passenger terminal building-office space.....	22,780.81	17,646.44
Other buildings and structures.....	12,333.38	11,500.02
Total Rentals	<u>\$157,800.59</u>	<u>\$135,241.60</u>
Bulk Petroleum Deliveries:		
Professional fire service.....	\$ 19,200.00	\$ 9,600.00
Rental of tank farm area.....	3,781.80	3,781.80
Wharfage charges	19,097.33	10,805.36
Pipe line licenses.....	990.00	990.00
Total Bulk Petroleum Deliveries.....	<u>\$ 43,069.13</u>	<u>\$ 25,177.16</u>
Services, Sales, Commissions and Permits:		
Public address system.....	\$ 11,529.35	\$ 13,360.96
Restaurant, cafe and newsstand.....	70,219.28	55,718.38
Taxicab and limousine permits.....	55,387.22	39,690.16
Parking lot	69,910.09	56,905.73
U-Drive	29,720.43	12,940.47
Telephone commissions	8,144.30	4,747.25
Telegraph commissions	17,127.50	13,041.54
Sales of petroleum products.....	59,402.42	64,786.17
Shoe shine stand.....	1,179.64	1,086.88
Vending and weighing machines.....	391.51	362.97
Insurance vending machines.....	4,987.82	3,673.23
Travel agency	900.00	773.59
Baggage locker commissions.....	2,031.86	1,234.16
Rest rooms	6,556.25	5,228.67
Total Services, Sales, Commissions and Permits	<u>\$337,487.67</u>	<u>\$273,550.16</u>
TOTAL OPERATING REVENUES.....	<u>\$831,875.31</u>	<u>\$647,286.20</u>

EXHIBIT C (Continued)
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1952 AND JUNE 30, 1951

	June 30, 1952	June 30, 1951
OPERATING EXPENSES:		
Salaries and Wages:		
General and administrative.....	\$ 37,797.73	\$ 35,919.39
Maintenance and operations.....	308,453.15	268,201.17
Total Salaries and Wages.....	\$ 346,250.88	\$ 304,120.56
Other Costs of Operation:		
Travel expenses and local fares.....	\$ 11,213.01	\$ 11,481.21
Freight, express and drayage.....	39.03	4.67
Use of employees' cars—mileage only.....	36.54	207.06
Storage and care of vehicles.....	.....	73.50
Maintenance and care of office equipment.....	335.24	394.30
Maintenance and care of other equipment..	158.83	.....
Gas and electricity.....	18,178.41	15,515.90
Telephone and telegraph.....	\$9,652.63	.....
Less: Extension service		
charged to tenants.....	2,850.14	6,802.49
Postage	489.32	517.63
Printing, advertising, etc.....	926.29	695.03
Newspapers and periodicals.....	162.00	304.00
Janitorial and window washing services:		
Contractual	1,245.20	1,380.00
Refuse disposal	602.55	295.11
Professional and special services.....	11,884.56	3,376.81
Miscellaneous and contractual services.....	2,158.82	2,479.40
Operating material and supplies.....	12,791.29	9,430.30
Unallocated charges for use of automotive		
equipment	93.05	259.80
Fire-fighting expense	57,450.17	53,015.08
Total Other Costs of Operation.....	\$ 124,566.80	\$ 106,383.00
Other Costs of Maintenance and Repair:		
Landing area	\$ 2,049.20	\$ 1,919.63
Runways	3,077.56	3,593.40
Field lighting equipment.....	518.32	6,271.16
Radio equipment	1,595.28	884.40
Hangars	956.84	242.49
Administration building	2,714.24	3,681.03
Other buildings	4,037.29	8,928.48
Automotive equipment	8,424.57	5,600.83
Other equipment facilities, furniture and		
fixtures	5,276.19	2,854.07
Parking areas, roads, walks, fences, etc.....	13,430.06	4,158.67
Power distribution system.....	131.32	10,529.92
Total Other Costs, Maintenance		
and Repair	\$ 42,210.87	\$ 48,664.08
Fixed Charges:		
Accident compensation—employees	\$ 6,314.72	\$ 1,103.98
Automobile insurance	1,020.97	458.63
Other insurance	13,441.53	11,453.85
Pension and retirement allowance.....	38,453.05	33,668.36
Taxes paid	\$8,812.66	.....
Less: Charged to tenants.....	1,479.27	7,333.39
Depreciation	832,193.45	823,339.87
Doubtful accounts	4,800.00	4,800.00
Injuries and damages.....	358.10	101.00
Total Fixed Charges.....	\$ 903,915.21	\$ 947,607.53
TOTAL OPERATING EXPENSES.....	\$1,416,943.76	\$1,406,775.17
OPERATING LOSS	\$ 585,068.45	\$ 759,488.97

EXHIBIT C (Concluded)
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1952 AND JUNE 30, 1951

	<u>June 30, 1952</u>	<u>June 30, 1951</u>
OTHER INCOME NET:		
Resale of electric energy.....	\$168,998.81	\$151,211.22
Less: Cost thereof.....	138,158.06	118,048.28
Remainder	\$ 30,840.75	\$ 33,162.94
Miscellaneous—Net	1,095.41	562.16
Total Other Income.....	\$ 31,936.16	\$ 33,725.10
Sub-total	\$553,132.29	\$725,763.87
OTHER EXPENSE:		
1945 Airport Bond Interest Expense.....	\$134,091.68	\$120,900.41
Miscellaneous additions to and deductions from income	15,151.13	2,481.22
Total Other Expense.....	\$149,242.81	\$123,381.63
NET LOSS	<u>\$702,375.10</u>	<u>\$849,145.50</u>

EXHIBIT D
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATISTICS
YEARS ENDED JUNE 30, 1952 AND JUNE 30, 1951

Comparative report of aircraft movements and traffic, including domestic and international activities.

	June 30, 1952	June 30, 1951	Increase Decrease (-)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	104,847	90,794	14,053	15.5
Itinerant	18,713	17,656	1,057	6.0
Local	26,594	25,648	946	3.7
Totals	<u>150,154</u>	<u>134,098</u>	<u>16,056</u>	<u>12.0</u>
Number of passengers, as reported by air carriers:				
On and off	1,596,478	1,340,115	256,363	19.1
Through (no stopovers)	466,712	367,925	98,787	26.8
Totals in and out (1)	<u>2,063,190</u>	<u>1,708,040</u>	<u>355,150</u>	<u>20.8</u>
Air mail, express and freight, in pounds on and off, as reported by Post Office Dept., Railway Express Agency and various air lines: (1)				
Air mail	31,837,156	23,636,209	8,200,947	34.7
Express	5,641,483	8,342,420	-2,700,937	32.4
Freight	36,873,116	35,503,778	1,369,338	3.9
Totals	<u>74,351,755</u>	<u>67,482,407</u>	<u>6,869,348</u>	<u>10.2</u>

Note:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.

1945 BOND FUND:	
Interest During Construction.....	\$ 1,554.47
Preliminary Expense.....	2,437.65
Legal Fees and Expenses.....	2,155.19
Administrative Expense.....	5,336.40
Architectural Services.....	275,336.80
Plans and Specifications.....	67,320.00
Inspection and Supervision.....	16,876.45
Field Drainage.....	\$ 61.17
Drainage Control.....	4,099.51
Improvements to Runways.....	1,143.57
Landing Field—Lighting and Marking.....	231.68
Roads, Walks, Parking Areas.....	776.47
Power Supply and Street Lighting System.....	416.96
Gas Supply System.....	80.00
Landscaping.....	4,741.38
Right of Way and Easement.....	1,902.18
Office Building Used During Construction.....	66.00
Buildings.....	8,698.37
Sewage System.....	19.50
Total 1945 Bond Fund Carried Forward.....	194.55
	901.72
	2,737.21
	48,654.91
	2,335.87
	\$337,811.29
	\$ 104,786.03
	\$7,922.99
	25.00

EXHIBIT A
SCHEDULE 1
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
FIXED CAPITAL UNDER CONSTRUCTION
JUNE 30, 1952

Brought Forward				FEDERAL AIRPORT PROJECT:			
				General Office Plans and Specifications			
				Field Drainage			
				Field Drainage Control			
				Runways, Taxiways and Aprons			
				Landing Field—Lighting and Marking			
				Roads, Walks, Fences, etc.			
				Sewage System			
				Power Supply System			
				Telephone System			
				Gas Supply System			
				Landscaping			
				Buildings			
				Contracts:			
				119—Manning and Whitaker, Inc.			
				123—Carrico and Gauthier			
				126—Bragato Paving Co.			
				130—Clinton Construction Co.			
				132—Lowrie Paving Co.			
				133—Morris Daley			
				135—Fred Johnson Electric Co.			
				Total Federal Airport Project			
				Carried Forward			
Balance	6-30-51	\$337,811.29	\$	2,409.75	\$	2,133.62	\$
Additions	1951-1952	104,786.03	\$				
From Federal Airport Project		7,922.94	\$				
Expenditures							
To Federal Capital							
In Service							
Transfers	1951-1952						
To							
From							
Balance	6-30-52	441,188.93	\$				

JUNE 30, 1952

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San Francisco School Department

(A Unified School District)



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1952

Lindquist, Von Husen and Joyce

Certified Public Accountants

660 Market Street
SAN FRANCISCO 4

November 7, 1952.

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the books of account, records and transactions of the San Francisco Unified School District for the fiscal year ended June 30, 1952, and submit herewith the following statements:

EXHIBIT A—Proprietary Balance Sheet—June 30, 1952.

EXHIBIT B—Statement of Current Surplus for the Fiscal Year Ended June 30, 1952.

EXHIBIT C—Statement of Capital Surplus for the Fiscal Year Ended June 30, 1952.

EXHIBIT D—Statement of Revenues and Expenditures for the Fiscal Years Ended June 30, 1952 and 1951.

EXHIBIT E—Details of Revenue for the Fiscal Years Ended June 30, 1952 and 1951.

EXHIBIT F—Details of Expenditures for the Fiscal Years Ended June 30, 1952 and 1951.

EXHIBIT G—Funds Balance Sheet—June 30, 1952.

EXHIBIT H—Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet—June 30, 1952.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus and revenues and expenditures present fairly the financial position of the San Francisco Unified School District as at June 30, 1952, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, program and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

REVENUES AND EXPENDITURES

The following comparative summary shows revenues and expenditures for the fiscal years ended June 30, 1952 and 1951 (cents omitted):

Revenues:	Year Ended June 30,		Increase (Decrease)
	1952	1951	
Property taxes and penalties.....	\$19,057,395	\$16,352,466	\$2,704,929
State of California—			
School fund apportionment.....	7,781,133	7,720,320	60,813
Retirement subventions	682,629	352,874	329,755
Other revenues	1,351,082	1,379,211	(28,129)
Auxiliary (indirect) revenues.....	381,446	352,689	28,757
Total revenues.....	\$29,253,685	\$26,157,560	\$3,096,125
Operating expenses	28,048,166	25,637,752	2,410,414
	\$ 1,205,519	\$ 519,808	\$ 685,711
Net capital outlay from current funds..	821,400	1,826,121	(1,004,721)
Excess of revenues over expenditures..	\$ 384,119	\$(1,306,313)	\$1,690,432

Property taxes were verified by reference to the tax rates, the records of the controller and examination of the cash transfer vouchers from the controller's office.

Revenues from the State School Fund consist of the share of state funds apportioned to San Francisco on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance.....	(78,351)	(49,748)	(23,620)	(4,983)
\$90 per pupil.....	\$7,051,590	\$4,477,320	\$2,125,800	\$448,470
Physically handicapped	(967)	(805)	(162)	
Extra cost to school department (not over \$400 per pupil)	\$ 372,391	\$ 309,829	\$ 62,562	
Mentally retarded	(1,294)	(627)	(667)	
Not over \$100 per pupil.....	\$ 129,400	\$ 62,733	\$ 66,667	
School years maintained.....	(51)		(49)	(2)
\$1,000 per year.....	\$ 51,000		\$ 49,000	\$ 2,000
Evening schools	(5)		(5)	
\$4,000 per year.....	\$ 20,000		\$ 20,000	
Continuation school	(1)		(1)	
\$4,000 per year.....	\$ 4,000		\$ 4,000	
Transportation expense for exceptional children (total average daily attendance (166.32) times \$350—or actual, whichever is lower)....	\$ 46,861	\$ 40,769	\$ 6,092	
Allowance based on growth in average daily attendance....	\$ 105,891	\$ 105,891		
Total	\$7,781,133	\$4,996,542	\$2,334,121	\$450,470

These revenues were verified by reference to the Principal Apportionment of the California State School Fund published by the State Superintendent of Public Instruction and to other data.

Following is a comparison of the average daily attendance:

	1951-1952	1950-1951
Elementary schools	51,008	49,748
High schools	23,436	23,620
Junior college	4,301	4,983
Total	78,745	78,351

We reviewed the procedures for compiling average daily attendance and tested the records of the Bureau of Research in the Board of Education Office and of certain schools and are satisfied that the average daily attendance figures are substantially correct.

Other revenues (\$1,351,081.91) were tested against various data and in our opinion are substantially correct. Details are shown in Exhibit E.

Child Care Center:

The income and expenditures of the Child Care Centers, which we test checked for the fiscal year ended June 30, 1952 were as follows:

Income:

State apportionment	\$497,880.00	
Fees from parents.....	278,437.84	
Current district taxes.....	81,009.39	
Miscellaneous income	40.97	\$857,368.20

Expenses:

Administration	\$ 47,578.47	
Instruction	451,514.23	
Auxiliary services.....	13,267.13	
Operation	96,258.27	
Maintenance	8,325.73	
Fixed charges	3,547.70	
Food service.....	158,694.25	
Capital outlay.....	19.78	779,205.56

Excess of revenues over expenditures.....	\$ 78,162.64
Deduct portion of State apportionment not earned (refunded in 1952-1953)	4,189.63
Net revenues	<u>\$ 73,973.01</u>

In prior years no revenue for Child Care Centers had been provided by district taxes.

Cafeterias:

We test checked the income and expenses of the cafeterias for the fiscal year ended June 30, 1952 which are set forth in the following schedule:

Income:

Sales	\$1,022,621.25	
Federal grants	100,212.79	\$1,122,834.04

Expenses:

Cost of food.....	\$ 725,050.64	
Salaries and wages.....	294,530.09	
Student help	28,260.60	
Supplies and expense.....	40,597.26	
Central office	1,183.36	
Repairs and replacements.....	142.88	
Provision for sick and vacation pay.....	23,747.41	1,113,512.24

Net income.....	<u>\$ 9,321.80</u>
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The net income of the cafeterias is held in trust for cafeteria operations and is not available for any other purpose.

Student Body Funds:

These funds, and all accounting records in support thereof, are maintained at City College and schools and are internally audited at regular intervals. We have reviewed these audit procedures and believe them to be adequate.

PROPRIETARY BALANCE SHEET

Fixed Capital Properties:

Fixed capital properties are stated in the proprietary balance sheet at the amounts shown on the records of the Controller. We understand that these represent appraised values of 1920 plus subsequent additions at cost, except that property received at no cost is stated at appraised value.

Following is a summary of the net additions to fixed capital properties during the fiscal year ended June 30, 1952:

	Total	Land	Buildings and Improvements	Equipment
Additions per School District records:				
1948 bond fund....	\$7,391,244.32	\$135,022.52	\$6,961,161.83	\$295,059.97
School current fund	890,735.61	394,741.79	133,345.57	362,648.25
Special accumulative building fund	24,230.40	24,291.00	(60.60)	
Real property fund	31,849.95	31,849.95		
	<u>\$8,338,060.28</u>	<u>\$585,905.26</u>	<u>\$7,094,446.80</u>	<u>\$657,708.22</u>
Less:				
Net reduction due to properties sold, exchanged or otherwise disposed of	\$ 101,194.49	\$ 46,775.00	\$ 7,064.83	\$ 47,354.66
Prior years' capital outlays recorded in 1951-1952	11,276.44	5,103.25	6,093.99	79.20
Adjustments between classifications			51,912.88	(51,912.88)
Adjustments not taken up by Controller	(754.85)			(754.85)
Adjustments not taken up by School District	(4,442.90)		(1,485.00)	(2,957.90)
	<u>\$ 107,273.18</u>	<u>\$ 51,878.25</u>	<u>\$ 63,586.70</u>	<u>\$ (8,191.77)</u>
Net additions per Controller's records 1951-1952	<u>\$8,230,787.10</u>	<u>\$534,027.01</u>	<u>\$7,030,860.10</u>	<u>\$665,899.99</u>

We tested the additions from the School District Fund, but we did not test the additions from the 1948 School Bond Fund because these are not school district bonds, but are general obligation bonds of the City and County. As such the expenditures therefrom are being examined by the auditors engaged by the Board of Supervisors, pursuant to Charter Section 68, to make the annual audit of the Controller's books.

Cash:

Cash in the various funds of the School District at June 30, 1952, as shown by the books of the Treasurer, was as follows:

Current funds:

School District	\$ 4,970,192.52	
Bonds matured—unredeemed	1,000.00	
Bond interest matured—unpaid	9,806.25	\$ 4,980,998.77

Capital funds:

1948 school bonds	\$13,620,132.25	
Real property	97,310.25	13,717,442.50

Trust funds:

Accumulative building fund	\$ 31,642.98	
Child Care Center	202,865.85	
Sabbatical leave (teachers)	21,477.20	
Retirement (teachers)	35,240.90	
Annuity deposits (teachers)	16,604.20	
Federal withholding tax	518,640.35	
County service fund	836.00	
Veterans' education	1,268.66	
Cafeteria	260,517.32	
Will C. Steinbrunn bequest	10,175.57	1,099,269.03

Total cash deposited with Treasurer		\$19,797,710.30
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Revolving funds:

School District	\$ 3,000.00	
Cafeteria	1,550.00	
	\$ 4,550.00	

Advances to purchasing department	6,529.21	
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Hume Foundation Trust fund (deposited with American Trust Co.)	313.00	11,392.21
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Total cash		\$19,809,102.51
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The cash on deposit with the Treasurer was reconciled to the Treasurer's balance sheet.

Accounts Receivable:

A summary of the accounts receivable is set forth as follows:

Taxes and penalties:

Taxes — secured	\$164,739.40	
Taxes — unsecured	337,075.84	
	\$501,815.24	
Reserve for unsecured taxes	337,075.84	\$ 164,739.40

Other accounts receivable:

Tuition due from other counties	\$360,296.79	
Subventions for vocational training of veterans	206,019.46	
Federal subvention for aid to local education (Public Law 874)	265,913.09	

Cafeterias:

Federal grants	17,259.97	
Other	3,942.02	

Salary overpayments	14,292.14	
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Other	6,519.40	874,242.87
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Total		\$1,038,982.27
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Tuition due from other counties consists of \$482.35 billed to other counties for prior years but not collected and \$359,814.44 billed in July, 1952 for tuition for non-resident students at City College for the fiscal year 1951-1952.

Subventions for vocational training of veterans consist of bills rendered (\$134,126.73) plus an estimate (\$71,892.73) for instruction and supplies given in April, May and June, billed subsequently.

Federal subvention for aid to local education refers to assistance given by the Federal government to those local agencies upon which a financial burden has been placed by reason of providing education for children whose parents are employed or live on Federal property. Of the above amount \$235,037.00 was collected in August, 1952.

Federal grants for cafeterias represent the billings for May and June, 1952, which were subsequently collected.

Salary overpayments of \$14,292.14 are not considered fully collectible for various reasons, such as death, etc.

The amount of \$874,242.87 for accounts receivable other than taxes will be taken into income in the year in which collection is made and therefore an equivalent amount is shown under deferred credits in the balance sheet.

Claims for fire damage as at June 30, 1952 in the amount of \$1,657.47 have been submitted and collected in the subsequent year. Of this amount \$756.84 is refundable to contractors.

Inventories and Deferred Charges:

Stores inventory represents the cost of supplies and some equipment on hand at June 30, 1952 as shown by the records of the School District. Physical inventories were taken, priced and extended by employees of the School District on May 18, 1952. The general ledger balance of the inventory account was reduced by \$3,811.33 to bring it into agreement with the physical inventory.

Prices, extensions and footings of the physical inventory were tested and in addition we made test counts of the inventory at the time of our audit. We satisfied ourselves that the inventory as shown at June 30, 1952 was substantially correct.

Following is a summary of the insurance in force at June 30, 1952:

Fire and extended coverage:

School District property including contents.....	\$50,775,000
Federally owned Child Care Center.....	\$15,000

Automobiles:

Bodily injury including non-ownership.....	\$200,000/500,000
Property damage	\$100,000
Fire and theft	Cash value

Boiler	\$100,000/500,000
Blanket fidelity bond (each loss).....	\$25,000

Additional fidelity bond coverage:

Chief of the budget division and the coordinator of home economics and cafeteria (each).....	\$15,000
Superintendent of schools.....	\$25,000
Board of Education members (each).....	\$2,500

Bodily injury (Child Care Center).....	\$100,000/100,000
Property damage (Child Care Center).....	\$1,000/10,000
Valuable records	\$50,000
Rental income	\$348,000

The coverage in effect as shown above, for fire and extended coverage, is 90% of insurable value.

General public liability insurance is not carried. The legal adviser of the School District advised us that the contingent liability under unsettled claims is estimated to be \$35,000.00.

Bonded Debt and Interest:

Following is a summary of the changes in the bonded indebtedness during the fiscal year under review as shown by the records of the Controller:

Date of Issue	Interest Rate	Balance June 30, 1951	Transactions During Fiscal Year		Balance June 30, 1952
			Sold	Redeemed	
March 1, 1923..5%		\$ 4,804,000.00		\$303,000.00	\$ 4,501,000.00*
March 1, 1949..1 $\frac{1}{4}$ %		3,400,000.00			3,400,000.00
March 1, 1949..1 $\frac{1}{2}$ %		3,000,000.00			3,000,000.00
March 1, 1949..5 $\frac{1}{2}$ %		250,000.00		250,000.00	
April 1, 1951....1 $\frac{1}{2}$ %		1,534,000.00		255,000.00	1,279,000.00
April 1, 1951....1 $\frac{3}{4}$ %		8,466,000.00			8,466,000.00
March 1, 1952..1 $\frac{1}{2}$ %			\$9,100,000.00		9,100,000.00
Total.....		\$21,454,000.00	\$9,100,000.00	\$808,000.00	\$29,746,000.00

*Includes \$1,000.00 matured but unpaid.

Of the \$48,900,000 school bond issue approved by public vote in November, 1948, \$22,790,000 remained unsold at June 30, 1952.

Bond interest payable or accrued as at June 30, 1952 amounted to \$200,508.55, as follows:

Coupons matured — not presented for payment.....	\$ 9,806.25
Interest accrued — not due.....	190,702.30
Total	\$200,508.55

The bonded debt and interest thereon are not reflected on the books of the School District and are shown in the annexed balance sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$190,702.30) has been treated as a deferred charge.

Accounts Payable and Commitments:

Following is a summary of accounts payable as at June 30, 1952:

Warrants and payroll deductions outstanding.....	\$ 2,123,351.79
Accounts payable—	
Goods and services received for which warrants had not been issued	243,989.57
Uncompleted purchase orders and contracts.....	13,153,072.13
Account receivable credit balance (Child Care Center subven- tion refundable to State Department of Education).....	4,189.63
Total	\$15,524,603.12

The contractual liability of \$13,153,072.13 for uncompleted purchase orders and contracts represents obligations for goods and services not received nor rendered as at June 30, 1952. Since these charges apply to subsequent periods, a like amount is shown as a deferred charge in the annexed balance sheet, in accordance with past practice.

The inter-fund accounts payable were reconciled with the records of the Controller. Following is a summary of these balances:

Employees' retirement system.....	\$495,390.92
Department of Public Works.....	392,985.84
Other City departments.....	15,335.30
Other funds	3,448.09
Total	\$907,160.15

The goods and services for which the above liabilities were incurred were furnished or rendered on or prior to June 30, 1952 and the corresponding charges are reflected in the accounts of the fiscal year then ended.

Yours very truly,

LINDQUIST, VON HUSEN AND JOYCE

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNITED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET — JUNE 30, 1952

ASSETS

Fixed Capital Properties (Note 1):

Total	Current Funds	Capital Funds	Special and Trust Funds
Land	\$ 14,018,453.41	\$14,018,453.41	
Buildings and improvements	51,602,065.90	51,602,065.90	
Equipment	6,786,579.05	6,786,579.05	
Total	\$ 72,407,098.36	\$72,407,098.36	
Cash:			
On deposit with Treasurer (Note 2)	\$ 19,786,904.05	\$13,717,442.50	\$1,099,269.03
Revolving funds	4,550.00	3,000.00	1,550.00
Advances to Purchasing Department	6,529.21	1,443.24	5,085.97
Bond interest and redemption funds	10,806.25	10,806.25	
Other cash—Hume Foundation	313.00	313.00	
Total	\$ 19,809,102.51	\$4,985,442.01	\$1,101,132.03
Accounts Receivable:			
Delinquent taxes and penalties	\$ 501,815.24	\$ 501,324.83	\$ 490.41
Less: Reserve for unsecured property taxes	337,075.84	337,075.72	.12
Secured taxes and penalties	\$ 164,739.40	\$ 164,249.11	\$ 490.29
Other accounts, subventions, etc. (contra)	874,242.87	853,040.88	21,201.99
Total	\$ 1,038,982.27	\$1,017,289.99	\$ 21,692.28
Inter-fund Accounts			
Inventories and Deferred Charges:			
Stores—at cost	\$ 822,680.30	\$ 820,751.67	\$ 1,928.63
Shop inventory—at cost	26,518.46	26,518.46	
Other supplies and expense	17,439.12	17,439.12	
Unexpired insurance	12,357.07	12,357.07	
Bond interest accrued (contra)	190,702.30	190,702.30	
Uncompleted purchase orders and contracts (contra)	13,153,072.13	851,508.58	\$1,684.55
Total	\$ 14,222,769.38	\$1,919,277.20	\$43,613.18
TOTAL	\$107,506,400.61	\$7,950,457.29	\$98,389,505.83

LIABILITIES AND SURPLUS

Total	Current Funds	Capital Funds	Special and Trust Funds
Bonded Debt (Note 3)	\$ 29,746,000.00	\$ 1,000.00	\$29,745,000.00
Bond Interest:			
Coupons matured—unpaid	\$ 9,806.25		
Accrued interest not due (contra)	\$ 190,702.30		
Total	\$ 200,508.55		\$ 200,508.55
Accounts Payable and Commitments:			
Warrants and payroll deductions outstanding	\$ 2,031.53		
Accounts payable—materials and service	223,760.86		
Uncompleted purchase orders and contracts (contra)	551,508.58		
Accounts receivable credit balance	1,189.63		
Total	\$3,680,958.33		\$1,810.13
Inter-fund Accounts:			
Department of Public Works	\$ 378,361.25		
Employees' Retirement System	195,390.92		
Other city departments	12,344.05		
Other funds			
Total	\$ 886,096.23		
Special and Trust Funds			
Deferred Credits:			
Accounts receivable (contra)	\$ 853,040.88		
Other	28,097.59		
Total	\$ 881,638.17		
Surplus (Exhibits B and C)	\$ 900,255.71		
TOTAL	\$ 35,000,457.29		\$ 35,000,457.29

Note 1: Fixed capital properties are not recorded on the general accounts of the School District. The amounts shown in the foregoing schedule are not recorded on the general accounts of the School District since they are general obligations of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of disclosure.

Note 2: Proceeds from the sale of certain land and buildings during the fiscal year ended June 30, 1952, aggregating \$69,335.55, Treasurer to the credit of the School District general fund and accordingly are included in the "Current Funds" column sheet. Of this amount, plus the balance at the beginning of the year of \$8,452.70, the Board of Education appropriated \$1,037.55 remains specifically reserved for the same purpose.

Note 3: Bonded debt and bond interest are not recorded on the accounts of the School District since they are general obligations of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of disclosure.

Note 4: Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$35,000.

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CURRENT SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1952

BALANCE — JUNE 30, 1951.....		\$2,495,804.49
Add:		
Net revenues for fiscal year ended June 30, 1952 (Exhibit D).....	\$384,119.23	
Balance due to Child Care Center covering supplies and equipment transferred to General Fund Surplus.....	19,311.34	
Adjustment of delinquent taxes and penal- ties for year ended June 30, 1952.....	11,020.65	414,451.22
		<u>\$2,910,255.71</u>
Deduct:		
Increase in Department of Public Works Revolving Fund.....		10,000.00
BALANCE — JUNE 30, 1952.....		<u><u>\$2,900,255.71</u></u>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CAPITAL SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1952

BALANCE — JUNE 30, 1951	\$54,744,893.35	Ad:	Capital outlay from non-capital funds:		
			Capital outlay as shown by School District records:		
			From school general fund	\$890,735.61	
			From special accumulative building fund	24,230.40	
	\$914,966.01		Capital outlay not taken up by School District, to be re-		
			corded in 1952-1953		
	\$ 4,442.90		Capital outlay not taken up by Controller, to be recorded		
	754.85		in 1952-1953	5,197.75	
			Capital outlay of prior years recorded in 1951-1952	\$920,163.76	
	11,276.44		Surplus arising from additional consideration received on ex-		
			change of property:		
			Property — Jedediah Smith School	996.15	
			Property — Longfellow School	2,000.00	
			Gain on sale of property:		
			Property — Daniel Webster School Annex	180.00	
			Property — 2106 - 19th Avenue	100.00	
			Property — 456 Arleta Avenue	25.00	
			Property — 420 Raymond Avenue	1.00	
			Insurance claim on fire at Daniel Webster School to be deducted		
			by Controller in 1952-1953		
			Other revenue:		
			Rentals		
			Miscellaneous	1,246.61	
			Bonded debt matured during year	115.35	
			Deduct:		
			Cost or assigned book value of properties sold:		
			Block 2203, Lot 1	\$ 1,000.00	
			Land and building — 25 Tehama Street	11,500.00	
			Sunset Community Center	34,275.00	
			Buildings — Hillcrest School site	23.00	
			Buildings — 97 Endicott Park	295.00	
			Buildings — Phelan Avenue	1,025.00	
			Buildings — 826 Ingalls Avenue	3,050.00	
			Buildings — 720 Corbett Avenue	200.00	
			Buildings — Other	2,302.81	
			Cost or assigned book value of equipment disposals		
			Loss on sale of property — Block 3736, Lot 78A	47,354.66	
				169.02	
BALANCE — JUNE 30, 1952	\$56,382,595.29				

\$56,487,897.78

805,000.00

1,361.96

\$ 1,246.61

115.35

20,845.00

\$ 180.00

100.00

25.00

1.00

\$ 996.15

2,000.00

2,996.15

\$ 996.15

2,000.00

996.15

\$ 996.15

11,276.44

\$920,163.76

5,197.75

\$ 4,442.90

754.85

\$914,966.01

24,230.40

\$890,735.61

\$54,744,893.35

EXHIBIT E
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF REVENUE
FOR THE FISCAL YEARS ENDED JUNE 30, 1952 AND 1951

	Fiscal Years Ended June 30.	
	1952	1951
Property Taxes and Penalties.....	\$19,057,394.55	\$16,352,466.24
Received from State of California:		
Elementary schools	\$ 4,996,542.35	\$ 4,748,901.07
High schools and City College.....	2,784,590.49	2,971,418.93
Retirement subventions	682,629.34	352,874.01
Total	\$ 8,463,762.18	\$ 8,073,194.01
Other Revenues:		
San Francisco Housing Authority.....	\$ 89,095.23	\$ 97,459.79
Federal and State vocational education.....	60,444.53	62,276.50
Reimbursement for veterans' vocational training	189,794.18	305,472.89
Tuition from other counties.....	385,882.44	467,294.23
Rentals	362,218.11	370,097.32
Federal Military Aid and Public Law 874....	192,984.86	4,212.00
Miscellaneous	70,662.56	72,398.48
Total	\$ 1,351,081.91	\$ 1,379,211.21
Total direct revenues.....	\$28,872,238.64	\$25,804,871.46
Auxiliary (Indirect) Revenues:		
Services of physicians, dentists and nurses received from Department of Health.....	381,446.32	352,688.92
Total Revenues.....	\$29,253,684.96	\$26,157,560.38

EXHIBIT F
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1952 AND 1951

Fiscal Years Ended June 30,		
1952	1951	
\$20,547,807.27	\$18,960,660.82	Brought forward
		Operation:
\$1,561,994.56	\$1,307,600.78	Janitors, engineers and gardeners:
\$103,393.47	94,447.19	Salaries
215,454.85	171,864.21	Supplies
94,705.50	102,787.36	Gas and electricity
49,444.01	50,089.70	Water
199,554.91	185,255.11	Miscellaneous
\$2,224,547.30	\$1,912,044.35	Total
		Maintenance:
\$1,217,315.09	\$910,999.89	Buildings and grounds:
1,352.00	3,276.42	Furniture and equipment
185,032.83	161,966.77	Educational equipment
4,199.96	7,476.85	Fire damage
10,545.31	15,024.50	Miscellaneous
\$1,418,445.19	\$1,098,744.43	Total
		Fixed Charges:
\$6,000.28	\$6,974.33	Rents
49,237.41	46,912.64	Insurance
32,275.16	54,632.21	Compensation and accident claims
43,308.00	42,546.00	Contributions to retirement system
8,045.88	9,064.80	City
43,308.00	42,546.00	State
\$2,802,242.36	2,626,648.03	Total
\$2,941,109.09	\$2,786,778.01	Transportation of Pupils
\$52,567.55	\$46,795.51	Cafeteria supervision
25,163.43	36,861.60	Cafeteria maintenance
15,213.80	18,222.00	Free meals
30,408.91	26,420.90	Health classes and other expenses
\$123,353.69	\$128,300.01	Total
\$27,479,291.05	\$25,085,192.42	Carried forward

Fiscal Years Ended June 30,		
1952	1951	
\$611,893.72	\$625,524.99	Salaries
45,621.98	37,652.53	Supplies
16,352.52	17,254.51	Travel expense
\$65,759.96	73,408.81	Miscellaneous
\$739,628.18	\$753,840.84	Total
		Instruction — Salaries:
\$352,438.68	\$304,847.82	Supervision
8,008,509.36	7,261,650.47	Elementary schools
3,164,112.41	2,816,271.75	Special schools
3,854,326.50	3,665,917.48	Junior high schools
738,272.19	629,953.24	Senior high schools
380,484.53	372,770.48	Adult schools
143,497.98	209,245.09	Trade and industrial schools
1,488,061.52	1,457,264.33	Continuation school
\$18,592,393.38	\$17,134,064.15	City College
		Total
\$575,268.85	\$557,063.42	Instruction — Supplies, Etc.:
200,527.45	185,323.68	Educational supplies
18,044.32	17,164.32	Books
154,853.27	78,290.43	Travel expense
\$948,695.89	\$837,841.85	Miscellaneous
\$948,695.89	\$837,841.85	Total
		Auxiliary Services:
\$142,544.62	\$131,746.89	Compulsory education
83,544.57	71,513.27	Guidance service centers
19,721.64	17,677.63	Student placement service
13,599.54	7,676.91	Nurse service
\$267,089.82	\$234,913.98	Miscellaneous
\$20,547,807.27	\$18,960,660.82	Carried forward

Fiscal Years Ended June 30,		
1952	1951	
\$105,552.68	\$130,766.42	Community Services:
36,625.19	14,134.66	Recreation program
34,960.29	38,853.46	Veterans' counseling
19,548.45	1,909.02	Civic Center activities
\$196,686.61	\$185,163.56	City College dormitories
\$2,264.74	\$	Total
\$27,666,719.35	\$27,285,062.67	Tuition paid to Other Districts
		Auxiliary (direct) Expenditures:
\$78,939.22	\$78,939.22	Medical inspection
16,209.43	16,209.43	Debt inspection
256,297.65	256,297.65	Non service
\$381,446.30	\$381,446.30	Total
\$28,048,164.67	\$28,048,164.67	Capital Outlay from Current Funds:
\$594,744.79	\$594,744.79	Land
133,245.97	133,245.97	Buildings and improvements
362,618.29	362,618.29	Equipment
\$890,735.61	\$890,735.61	Less
\$91,434.20	\$91,434.20	State of land and buildings
\$821,100.00	\$821,100.00	Net Capital Outlay from Current Funds
		Note: Expenditures for the fiscal year ended June 30, 1951 have been classified to correspond with the classification of expenditures for the fiscal year ended June 30, 1952

LIABILITIES AND SURPLUS														
Current Funds:														
School District														
Capital Funds:														
Real Property														
1948 School Bonds														
Total														
Special and Trust Funds:														
Special Accumulative Building Fund														
Child Care Center														
Withholding Tax														
County Service														
Teachers' Sabbatical Leave														
Teachers' Permanent Fund														
Teachers' Annuity Fund														
Veterans' Education Trust Fund														
Cafeteria														
Will C. Steinhilbrunn Bequest														
Total														
TOTAL														
\$3,973,510.52	\$ 756,898.14	\$1,074,551.93	\$ 362,097.01	\$1,779,963.14	\$ 96,193.00	\$ 116,192.91	\$27,790,000.00	\$27,790,000.00	\$36,754,466.21	\$11,598,014.27	\$ 353,566.00	\$27,790,000.00	\$27,790,000.00	\$ 3,973,510.52
\$ 97,310.25	\$ 817.25													\$ 97,310.25
\$6,657,155.96	\$11,597,197.02	\$ 353,566.00	\$27,790,000.00	\$ 116,192.91	\$ 96,193.00	\$ 116,192.91	\$27,790,000.00	\$27,790,000.00	\$36,754,466.21	\$11,598,014.27	\$ 353,566.00	\$27,790,000.00	\$27,790,000.00	\$6,657,155.96
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\$ 97,310.25	\$ 817.25													\$ 97,3

City and County of San Francisco
Employees' Retirement System

(San Francisco, California)

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EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1952

Farquhar & Heimbucher

Certified Public Accountants

Management Consultants

220 BUSH STREET, SAN FRANCISCO 4, CALIFORNIA

November 19, 1952

To the Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

We have examined the balance sheet of the City and County of San Francisco Employees' Retirement System at June 30, 1952 and the related statement of changes in equities for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in equities present fairly the financial position of the City and County of San Francisco Employees' Retirement System at June 30, 1952, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit "A"—Balance Sheet at June 30, 1952

Exhibit "B"—Statement of Changes in Equities for Year ended
June 30, 1952

Schedule A-1—Bond Investments

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated July 1, 1952. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The City and County of San Francisco Employees' Retirement System was originally established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The system was established to provide retirement and death benefits for public employees other than policemen and firemen who were at that time members of a separate pension system and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter effective January 8, 1932 the employees of the police and fire departments were brought into the system, and the present name and administration organization adopted.

The system is administered by the Retirement Board consisting of seven members; the President of the Board of Supervisors; the City Attorney; three active members of the system elected by the membership; and two members appointed by the Mayor, of whom one is an officer of a bank and the other a resident official of a life insurance company.

The present members of the Retirement Board are: Mr. Dewey Mead, President of the Board of Supervisors; Mr. Dion Holm, City Attorney; Mr. John F. Brady, Mr. A. Bert Crowley, and Mr. James J. McGovern, elected by the membership; Mr. Belford Brown of The San Francisco Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. Ira G. Thompson is Secretary of the system.

Membership in the system is now effective for all permanent civil service employees of the City and County of San Francisco, for employees of the San Francisco Unified School District, for certain temporary employees, and for certain elective officials. The present active membership is approximately 18,600, and approximately 3900 retired members or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in equities to satisfy ourselves as to its general accuracy.

In the course of our examination we tested members' contributions with payroll records and with established contribution rates. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the member's normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

DEPARTMENT	Charter Section	July 1, 1951 to January 31, 1952	February 1, to March 31, 1952	April 1, to June 30, 1952
Municipal Railway	165.2	8.954%	8.963%	8.963%
Water Department	165.2	7.740	7.740	7.740
Police Department	168.1	26.850	26.850	27.691
Fire Department	171.1	17.980	17.980	17.980
All Others	165.2	12.259	12.306	12.306

In addition to the above contributions for future current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

The unallocated portion of current tax appropriation received represents the excess of the current year advance tax appropriation over the requirements for current and prior service for the year, which is held for allocation in future years when the advance tax appropriations may be less than the requirements.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$4,275,709.00
Disability retirements	1,183,022.10
Death allowances	446,374.89
Death benefits to members' beneficiaries.....	524,162.37
Death benefits to beneficiaries of retired members.....	144,615.18
Total.....	<u>\$6,573,883.54</u>

Our examination of administration expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of equity additions over reductions for the year is added to the several equity accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets, liabilities, and equities of the system in the order in which they appear on the balance sheet, Exhibit A.

Cash—\$3,782,741.00

Cash on deposit with the Treasurer of the City and County of San Francisco, \$3,782,741.00, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$51,778.84, which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time, are still carried as outstanding warrants in the accounts of the system and have been deducted from the above cash balance. The system is presently attempting to locate the payees of these warrants and make payment of them.

Taxes Allocated to Retirement System—\$73,831.69

The amount shown above, which was obtained from the Controller's Office, represents the total property taxes which are allocated to the Retirement System but which have not yet been collected by the City and County of San Francisco, less a reserve to cover the portion representing unsecured personal property taxes.

Bond Interest Accrued—\$722,201.52

We have satisfied ourselves by an independent calculation that the above amount of \$722,201.52 represents the bond interest earned, but not received, at June 30, 1952.

Due from City and County of San Francisco—\$1,404,836.35

A summary of the balances due from City and County of San Francisco at June 30, 1952 is as follows:

Employees' contributions withheld from salaries.....	\$ 429,085.18
Contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932.....	82,468.74
Due from special funds—	
Compensation costs	52,283.49
Other	271.59
City and County contributions due from public utilities and special funds.....	840,727.35
Total.....	<u>\$1,404,836.35</u>

The amounts due for employees' contributions and for City and County of San Francisco contributions due from public utilities and special funds represent contributions for March, April, May, and June, 1952, for which cash transfers were made after June 30, 1952.

Contributions of policemen made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contributions made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds represent compensation and other costs not reimbursed until after the close of the fiscal year.

The amounts due from special funds for compensation costs and other costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Estimated Future City and County of San Francisco Contributions for Compensation Claims Pending—\$1,026,769.13

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1952. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety law of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System, which is reimbursed by the City and County.

Bond Investments—\$109,151,463.68

Bonds owned by the system are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1952.

The above amount represents the purchase price of bonds owned, adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1952. We did not ascertain the current market value of these securities. None of the bonds owned were in default as to principal or interest at June 30, 1952.

All bonds owned are of the character legal for insurance companies in the State of California.

Compensation Costs Payable—\$26,645.18

This amount includes indemnity payments of \$13,147.18, and medical bills of \$13,498.00 actually determined at June 30, 1952.

Estimated Liability for Compensation Insurance Claims Pending—\$1,026,769.13

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Accumulated Contributions of Former Members—\$23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions, but never presented for payment.

Advance from Private Sources—\$400.00

The above amount was received from the Civil Service Association of San Francisco to be expended for private survey expenses.

Death Benefits on Deposit—\$12,942.82

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly instalments.

Present Value of Current Service Benefits Granted—\$27,503,589.26

This amount represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County of San Francisco.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law, an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. The last such adjustment was made as at June 30, 1945. We understand that an actuarial valuation study as at June 30, 1951 is currently in progress but has not yet been completed.

Accumulated Contributions, Members—\$37,615,651.94

This balance represents the members' accumulated contributions as required by the applicable sections of the charter together with the accumulated interest. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1952 at the rate of two and one-half per cent.

Statements of accounts as at June 30, 1952 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement bore a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

Accumulated Contributions, City and County of San Francisco—\$39,552,445.07

Contributions by the City and County of San Francisco for the benefit of present members not yet retired are accumulated in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1952 interest was credited to this account at the rate of two and one-half per cent.

Unallocated Tax Appropriations—\$1,698,346.48

This account represents the accumulated net excess of City and County of San Francisco tax appropriations allocated to the Retirement System over the pension costs incurred. Under the provisions of the Municipal Code such funds shall first be applied to meet the requirements for fixed charges for the period for which appropriated, and then shall be used to meet the accumulated obligations of the City and County of San Francisco to the Retirement System.

The tax allocation is made annually at the beginning of the year, and in any one year may exceed the actual requirements for that year or may be insufficient. The present accumulated net excess is carried as a reserve to be allocated in future years when the current provisions may be insufficient to meet the requirements.

Changes in this reserve for the year under review were as follows:

Balance at June 30, 1951.....	\$1,340,498.60	
Tax appropriation allocated to the Retirement System for the year ended June 30, 1952.....	\$8,577,450.70	
Less: Fixed charges for current and prior service and other costs.....	8,219,602.82	357,847.88
Balance at June 30, 1952.....		<u>\$1,698,346.48</u>

City and County of San Francisco Contributions Reserved for Current Service Benefits not Otherwise Funded and Prior Service Benefits—\$2,657,274.25

This reserve consist of unallocated funds retained by the system as provided by an ordinance effective June 30, 1946 plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited.

Transfers are made annually from these funds to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1951.....	\$2,655,068.61	
Increases:		
Contributions released on withdrawal of active members.....	\$ 31,032.87	
Contributions released on death of active members	33,903.39	
Interest credited to reserve.....	104,138.29	169,074.55
		<u>2,824,143.16</u>
Decreases:		
Amount transferred to the reserve for disability pensions		
Required at June 30, 1952.....	1,607,304.43	
Required at June 30, 1951.....	1,522,177.85	
Increase in amount transferred.....	85,126.58	
Death benefits paid to beneficiaries of matching plan members.....	77,408.58	
Amount transferred on account of redeposit of members' contributions previously withdrawn	4,333.75	166,868.91
Balance at June 30, 1952.....		<u>\$2,657,274.25</u>

Undistributed Earnings from Sale of Bonds—\$3,126,768.92

These undistributed earnings represent the unabsorbed portion of profit from sale of certain bonds in prior years. The reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943.....	\$ 400,421.35	
1944.....	1,418,102.36	
1945.....	3,207,543.26	\$5,026,066.97

Profit applied for eight years ended June 30, 1951	1,665,691.74
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Balance undistributed at June 30, 1951.....	3,360,375.23
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Profit applied for year ended June 30, 1952.....	233,606.31
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Balance undistributed at June 30, 1952.....	<u>\$3,126,768.92</u>
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Contingency Reserve Against Adverse Experience—\$2,917,749.52

This reserve represents interest earned on investments in excess of the amounts allocated to all accumulated contributions accounts and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$1,899,298.05 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1951.....	\$2,434,016.52
Bond interest earned	\$2,705,496.19
Prior years' profit on sale of bonds applied during the year	233,606.31
Profit on sale of bonds during year.....	5,200.00
Interest earned on City and County of San Francisco balance	2,196.96
Other income and adjustments	202.34
	<u>2,946,701.80</u>
Total.....	5,380,718.32
Less: Interest credits to all accumulated contributions and reserves	2,462,968.80
Balance at June 30, 1952.....	<u>\$2,917,749.52</u>

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
BALANCE SHEET AT JUNE 30, 1952

LIABILITIES AND EQUITIES

PAYABLES		
Compensation costs	\$ 26,645.18	
Estimated liability for compensation insurance claims pending (contra)	1,026,769.13	
Accumulated contributions of former members	23,260.80	
Advance from private sources	400.00	
	<hr/>	
EQUITIES		
Death benefits on deposit		12,942.82
Present value of current service benefits granted		
Service retirements	6,078,107.03	
Pensions	13,767,091.02	
Disability retirements	760,588.06	
Annuities	5,954,425.92	
Pensions	90,961.39	
Death allowances	852,415.84	
Annuities		27,503,589.26
Pensions		
Accumulated contributions		
Normal	30,623,335.44	
General	2,531,842.00	
Police	890,219.47	
Fire		
Additional		
City and County of San Francisco contributions	37,615,651.94	
	<hr/>	
Reserves		
Unallocated tax appropriations	1,698,346.48	
City and County of San Francisco contributions reserved for current service benefits not otherwise funded and prior service benefits	2,657,274.25	
Undistributed earnings from sale of bonds	3,126,768.92	
Contingency reserve against adverse experience	2,917,749.52	
	<hr/>	
		10,400,139.17
		<hr/>
		\$116,161,843.37

ASSETS

CASH	\$ 3,782,741.00	
RECEIVABLES		
Taxes allocated to Retirement System	\$ 183,920.31	
Less: Reserve for unsecured personal property taxes	110,088.62	
Secured taxes	73,831.69	
Bond interest accrued	722,201.52	
Due from City and County of San Francisco	1,404,836.35	
Estimated future City and County of San contributions for compensation claims pending (contra)	1,026,769.13	
	<hr/>	
	3,227,638.69	
	<hr/>	
	109,151,463.68	
BOND INVESTMENTS AT AMORTIZED VALUE,		
SCHEDULE A-1		

\$116,161,843.37

SCHEDULE A-1
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
BOND INVESTMENTS
AT JUNE 30, 1952

	Par Value	Amortized Value
United States Government.....	\$ 62,495,000.00	\$ 62,754,558.11
California municipalities, school districts, and other divisions	7,826,462.50	7,595,526.02
Municipalities other than California.....	2,984,000.00	3,201,702.10
Railroads	330,000.00	328,907.49
Railroad equipment trusts	6,605,000.00	6,490,771.92
Railroad terminals	244,000.00	257,539.99
Public utilities	28,190,000.00	28,522,458.05
Total.....	<u>\$108,674,462.50</u>	<u>\$109,151,463.68</u>

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN EQUITIES
FOR YEAR ENDED JUNE 30, 1952

MEMBERS' CONTRIBUTIONS

Normal			
General	\$4,947,237.32		
Police	529,115.67		
Fire	398,690.71	5,875,043.70	
Additional		102,805.00	
Redeposits of withdrawn contributions		11,236.27	5,989,084.97

CITY AND COUNTY OF SAN FRANCISCO REGULAR CONTRIBUTIONS

Current service reserves			
General	6,900,654.89		
Police	1,876,721.95		
Fire	975,345.20	9,752,722.04	
Current service benefits			
Police	145,076.40		
Fire	554,972.95	700,049.35	
Prior service benefits			
General	713,549.46		
Police	649,988.94		
Fire	1,136,317.17	2,499,855.57	12,952,626.96

INCOME

Bond interest earned	2,705,496.19		
Profit on sale of bonds.....	5,200.00		
Other	200.00		
			2,710,896.19

CITY AND COUNTY OF SAN FRANCISCO OTHER CONTRIBUTIONS

For administrative expenses (contra).....	175,177.07		
For compensation insurance costs incurred (contra)	204,968.94		380,146.01

UNALLOCATED PORTION OF CURRENT TAX APPROPRIATION RECEIVED.....

357,847.88

Total equity additions (forward)..... \$22,390,602.01

EXHIBIT B — PAGE 2
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN EQUITIES
FOR YEAR ENDED JUNE 30, 1952

Total equity additions (forward).....\$ 22,390,602.01

DISTRIBUTIONS

Allowances and benefits paid		
From members' reserves....	1,182,307.04	
From City and County of San Francisco reserves....	2,193,868.54	
From City and County of San Francisco current payments	3,197,707.96	6,573,883.54
Monthly death benefit instalments		3,759.89
Accumulated contributions withdrawn	807,438.53	7,385,081.96

ADMINISTRATIVE EXPENSES PAID (CONTRA)..... 175,177.07

COMPENSATION COSTS INCURRED (CONTRA)

Weekly benefits	188,510.50	
Medical expenses	200,646.84	
Premiums	3,735.54	
Administrative expenses	19,720.00	412,612.88
Less: Subrogation recoveries and refunds from special funds		207,643.94
		204,968.94

Total equity reductions

7,765,227.97

EXCESS OF EQUITY ADDITIONS OVER
REDUCTIONS

14,625,374.04

EQUITIES AT JUNE 30, 1951.....

100,459,394.22

EQUITIES AT JUNE 30, 1952, EXHIBIT A

Death benefits on deposit.....	12,942.82
Present value of current service benefits granted	27,503,589.26
Accumulated contributions	77,168,097.01
Unallocated tax appropriations	1,698,346.48
Other reserves	8,701,792.69

Total.....

\$115,084,768.26

City and County of San Francisco
Employees' Retirement System

(San Francisco, California)

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REPORT ON AUDIT
FOR THE FISCAL YEAR ENDED
JUNE 30, 1951

Joseph Froggatt and Co., Inc.

*Specialists in All Branches of Insurance Accounting
Consulting Actuaries and Auditors*

74 TRINITY PLACE, NEW YORK

July 16, 1952

The Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, we have made an examination of the balance sheet of the City and County of San Francisco Employees' Retirement System as of June 30, 1951 and the related statement of income and disbursements for the fiscal year ended on that date. We present herewith the following statements, together with our comments thereon:

Exhibit "A"—Balance Sheet — At June 30, 1951.
Schedule No. 1 — Investment Bonds — At June 30, 1951.

Exhibit "B"—Statement of Income and Disbursements — For the Fiscal Year Ended June 30, 1951.

SCOPE OF WORK

Our examination was limited to the verification of the assets and liabilities as of June 30, 1951, and a review of the internal control and accounting procedure of the City and County of San Francisco Employees' Retirement System, and without making a detailed audit of the transactions, we have examined or tested their accounting records or other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable to the circumstances and included all procedures which we deemed necessary.

BALANCE SHEET

Cash on Deposit with Treasurer—\$3,401,182.32:

A complete reconciliation was made between the cash on deposit as of June 30, 1951 and the Controller's records as of that date.

Bonds Owned—Amortized Value—\$95,199,701.61:

The bonds are held in the joint custody of the Controller and the Treasurer. Bonds owned as of June 30, 1951, as per Exhibit "A", Schedule No. 1 attached hereto, were accounted for by actual examination at the vaults of the Treasurer of the City and County of San Francisco.

The premium or discount at time of purchase is being properly amortized or accumulated. For the purpose of this report we did not ascertain the market value of these securities. None of the bonds owned as of June 30, 1951 were in default as to principal or interest.

All bonds owned are of the character legal for insurance companies in the State of California, as provided in Section 159 of the Charter.

Accrued Interest—\$627,218.93:

Accrued interest at June 30, 1951 was independently calculated by us and found to be as set forth on Exhibit "A" of this report.

Due from the City and County of San Francisco—(\$146,761.52):

This balance consists of the following:

Employees' Contributions Withheld	\$ 353,500.50	
Police Department	95,366.96	
Due from Special Funds—Compensation Costs.....	63,220.00	
Due from Health Service System.....	3.50	
Due from Special Funds—Interdepartmental	27.78	
On Account of Contributions Other than Uniformed Services	681,618.34	
		<u>\$1,193,737.08</u>

Less:

Unexpended Balance of Tax Appropriation	\$1,271,193.38	
Taxes Receivable—Secured	69,305.22	1,340,498.60
		<u>(\$ 146,761.52)</u>

The balances due for Employees' Contributions Withheld and on account of Contributions Other than Uniformed Services represent funds due for the months of May and June, 1951, on which the cash transfers had not been made as of June 30, 1951. These transfers, however, had been made at the time of our audit.

The Police Department account of \$95,366.96 represents the balance due on Police \$2.00 contributions paid to the Police Relief and Pension Fund prior to January 8, 1932. This account is being reduced at the time of separation, death or retirement of each member in the amount of the contributions plus interest made to the former plan by that individual member.

The balance due from the Special Funds—Compensation Costs, is for current expenditures not reimbursed until after the close of the fiscal year.

The Unexpended Balance of Tax Appropriation in the amount of \$1,271,193.38 is not refundable to the City and County of San Francisco, in accordance with Section 249, Article 3, Part 1 of the Municipal Code which states in part as follows:

"Funds appropriated annually to the Retirement System, other than from specific fund appropriations, shall first be applied to meet the requirements for fixed charges for current and prior service for the period for which such funds are appropriated, and second shall be applied to meet the accumulated obligations of the City and County to the Retirement System."

Taxes Receivable, Secured—Allocated to Retirement System—\$69,305.22:

This figure was obtained from the Controller's office and is analyzed as follows:

Real Property Taxes, Secured.....	\$ 69,305.22
Personal Property Taxes, Unsecured.....	123,144.71
	<u>\$192,449.93</u>
Deduct:	
Reserve for Unsecured Personal Property Taxes.....	123,144.71
	<u>\$ 69,305.22</u>

Members' Accumulated Contributions—\$33,585,660.98:

This balance represents the members' accumulated contributions as required by the various sections of the Charter, together with the accumulated interest thereon, and is supported by a listing of the individual members' contribution accounts. Test-audits were made of the postings to the individual members' accounts from the payroll records and withdrawal rolls. In all cases tested, members were found to have been credited with their payroll withholdings and interest compounded as of June 30, 1951 at the rate of two and one-half per cent. An analysis of these accumulated contributions is set forth on Exhibit "A" of this report.

City and County Accumulated Contributions—Current Service—\$34,696,748.54:

This balance represents City and County accumulated contributions for the present members not yet retired, together with the accumulated interest thereon as required by the Charter.

In accordance with Charter provisions, no contributions are required of the City and County in connection with additional contributions made by members.

For the fiscal year ended June 30, 1951, interest was computed at the rate of two and one-half per cent, compounded at June 30, 1951.

**Total Present Value—All Annuities and Pensions—
Current Service—\$22,370,691.67:**

This account represents the ledger reserves at June 30, 1951 originally based on actuarial calculations necessary to provide annuities to all retired members and beneficiaries receiving annuities, and to provide pensions for current service to all retired members and beneficiaries receiving pensions for current service under plans funded on a reserve basis. An analysis of these reserves is set forth on Exhibit "A" of this report.

This reserve is based on individual members' records, showing the amount of contributions accumulated and interest thereon at the time of retirement, less all subsequent payments. Retirement payments are made on a guaranteed basis and of necessity some individual members' accounts will reflect that payments exceed the amount of accumulated contributions, while in other cases the accumulated contributions were in excess of the actual payments.

In analyzing the accounts of individual members who have died in retirement, we find that their over-all accumulated contributions exceeded the payments to time of death in the amount of \$1,420,314.20 for annuities and \$1,853,561.97 for pensions. These unabsorbed contributions still remain in the amount of \$22,370,691.67 reflected as Total Present Value—All Annuities and Pensions—Current Service. These amounts are retained in the reserve to meet benefit payments to retired members who may live longer than anticipated in the mortality tables then in use.

We understand that the actuarial reserve based on current mortality and interest rates is determined periodically and is being made as of June 30, 1951 as required by law.

Compensation Costs Payable—\$6,615.14:

This item represents compensation disbursements made in June, 1951, which were not reimbursed until after the close of the fiscal year.

**Death Benefits Left on Deposit by Beneficiaries of Deceased
Persons—\$16,334.07:**

The above amount represents the balances left on deposit by beneficiaries of deceased members for payment in monthly installments. This account is supported by underlying detail for each individual beneficiary.

Ex-Members' Accumulated Contributions in Suspense—\$23,260.80:

This balance consists in most part of pension warrants issued to a member who, we understand, was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals but never presented for payment.

SPECIAL RESERVES**Undistributed Earnings from Sale of Bonds—\$3,360,375.23:**

These undistributed earnings represent the unabsorbed portion of profit from sale of bonds in prior years. This reserve was created in accordance with Resolutions adopted by the Retirement Board. These earnings are being distributed over the life of the bonds purchased with these proceeds.

An analysis of the undistributed earnings from the sale of bonds follows:
Profit from the sale of bonds:

For the fiscal year ended June 30, 1943.....	\$ 400,421.35
For the fiscal year ended June 30, 1944.....	1,418,102.36
For the fiscal year ended June 30, 1945.....	3,207,543.26
	<hr/>
	\$5,026,066.97

Less: Profit credited to interest income:

For the fiscal year ended June 30, 1944.....	\$152,231.40
For the fiscal year ended June 30, 1945.....	188,839.62
For the fiscal year ended June 30, 1946.....	314,147.60
For the fiscal year ended June 30, 1947.....	157,352.61
For the fiscal year ended June 30, 1948.....	201,230.75
For the fiscal year ended June 30, 1949.....	209,301.35
For the fiscal year ended June 30, 1950.....	217,699.68
For the fiscal year ended June 30, 1951.....	224,888.73
	<hr/>
	1,665,691.74
	<hr/>
	\$3,360,375.23

City and County Accumulated Contributions Reserved for Current Service Benefits Not Otherwise funded and Prior Service Benefits—\$2,655,068.61:

City and County accumulated contributions reserved for current service benefits not otherwise funded and prior service benefits consist of City and County contributions released upon withdrawal or death of members who were participants under a matching plan, together with unallocated funds retained by the Retirement System, as provided in Ordinance No. 4203, effective June 30, 1946. These funds are held in accordance with Section 211, (c) 4 of Part 1, Article 3 of the Municipal Code.

From these funds are paid the ordinary death benefits to the beneficiaries of active and retired members under Charter Sections 165, 168 and 171, other than allowances.

Also from these funds is assigned an amount necessary, when added to the City and County accumulated contributions, to provide the reserve for present value of disability retirement pensions—current service, for retired members under Sections 165, 168 and 171 of the Charter.

The amount assigned as of June 30, 1951 was \$1,522,177.85, for the purpose of increasing the reserve under matching plans to an actuarial reserve for the present value of disability retirement pensions—current service, for retired members under Sections 165, 168 and 171 of the Charter.

Contingency Reserve Against Adverse Experience—\$2,434,505.62:

This reserve represents the interest earned on bonds, after amortization charges, in excess of the amounts required to credit all accumulated contributions and reserve accounts with interest at the rates established by the Retirement Board. This fund also includes \$1,665,691.74 of the profits from the sale of bonds in prior years. This reserve was established as a contingency against possible deficiencies in interest of other years, losses under investments and losses under other contingencies. Approval of this procedure was set forth in the Minutes of the Meeting of the Retirement Board held on December 1, 1948.

The increase in this reserve during the year under audit is analyzed as follows:

Interest earned on investments.....	\$2,182,145.42
Prior years' profits on sale of bonds applied during year....	224,888.73
Profit on sale of bonds during current year.....	248.27
Interest earned on City's debit balances.....	2,508.31
Miscellaneous income	448.22
	<hr/>
	\$2,410,238.95
Less: Credits to all accumulated contributions and reserve accounts	2,136,790.56
	<hr/>
Increase during year in contingency reserve.....	\$ 273,448.39

Adjustments—Reserve Accounts—\$489.10:

This account represents an accumulation of annual adjustments of differences between individual members' accounts and controls with respect to all active and retired members. The adjustments during the current year aggregated a net credit of \$198.74.

INCOME AND DISBURSEMENTS

Members' payroll pension withholdings were set up in accordance with payroll records. Extensive test-checks were made directly from the payroll records and in all cases examined, withholdings were made in accordance with the established rates.

In accordance with the Charter provisions for members remaining under the old matching contribution plan, the City contributed an equal amount. With reference to members under Charter Section 165.2, the City contributed at a percentage basis applied to the members' earnings, exclusive of salaries in excess of \$900.00 per month effective as of January, 1952. These contributions, to the extent of our examination, were collected on the basis of rates established by the Consulting Actuary. As of June 30, 1951 these rates were as follows:

	July 1, 1950 through October 31, 1950	November 1950	December 1, 1950 through June 30, 1951
Municipal Railway	8.893%	8.921%	8.954%
Water Department	7.693%	7.715%	7.740%
All other than foregoing, Police 168.1, and Fire 171.1	12.162%	12.207%	12.259%

In connection with members of the Police Department, under Charter Section 168.1, the City's contributions were collected at the rate of 26.85%, as of June 30, 1951. Also with members of the Fire Department under Charter Section 171.1, the City's contributions were collected as of June 30, 1951 at the rate of 17.98%.

In addition to the contributions mentioned heretofore, which are required to provide for future current service benefits, included under the City's contributions, are reimbursements of prior and current service benefits paid during the current year to policemen retired under Sections 166 and 167, firemen retired under Sections 169 and 170, and prior service benefits of miscellaneous members died or retired.

The income under other City and County contributions represents reimbursements of actual disbursements for administrative expenses.

Interest earned on investments includes interest earned, less amortization charges, plus accumulation on bonds purchased below par. Profit from the sale of investments during the current year amounted to \$248.27. Interest earned on City and County debit balances amounted to \$2,508.31. Miscellaneous income in the amount of \$448.22, represented a refund of retirement benefits received from the Firemen's Fund Indemnity Company on account of injury to William H. Smith, a fireman, on May 15, 1943.

The sum of \$1,875.00 representing advances from private sources for survey expenses was received from the San Francisco Veteran Police Officers' Association in the amount of \$1,250.00 and the Superior Court Reporters' Association in the amount of \$625.00. These income items and prior years' profits on sale of bonds applied during the year of \$224,888.73 were credited to the accumulated contribution and reserve accounts, with the exception of \$273,448.39. This excess of \$273,448.39 is shown as an increase in the contingency reserve against adverse experience, and is analyzed in a previous paragraph under this caption.

The interest rate of two and one-half per cent was used in crediting the accumulated contribution and reserve accounts and individual members' accounts during the fiscal year. This interest rate was established as required by Section 211 of Part 1, Article 3 of the Municipal Code of the City and County of San Francisco, which reads, in part, as follows:

"From time to time, the Board shall determine the rate of interest being earned on the Retirement Fund. Upon the basis of all or any of such investigation, valuation and determination, the Board shall: (1) Adopt for the Retirement System such interest rate and such mortality, service and other tables, or any of such items, as shall be deemed necessary."

All withdrawals by members included in our test-examination were in agreement with the members' individual accounts and included the interest thereon to date of each withdrawal.

All payments of allowances and benefits included in our test-examination were correctly computed in accordance with the provisions of the Charter and approved formulae, and were properly supported by documents and other necessary data.

An analysis of allowances and benefits paid during the fiscal year ended June 30, 1951 follows:

Service retirements	\$3,768,622.29
Disability retirements	1,046,100.24
Death allowances	419,396.19
Death benefits to members' beneficiaries.....	418,498.84
Death benefits to retired members' beneficiaries.....	123,987.47
	<hr/>
	\$5,776,605.03

COMPENSATION DIVISION

Reflected on the Balance Sheet, Exhibit "A" of this report, is a non-ledger asset in the amount of \$990,316.49 which represented the estimated contributions due from the City and County for compensation claims pending at June 30, 1951. There is also reflected on the liability side of this statement a reserve for a corresponding amount. This figure is based on estimates developed by the Compensation Division and was not verified by us.

Also reflected on the Statement of Income and Disbursements, Exhibit "B", as income, are the City and County contributions in the amount of \$183,725.64 which represents reimbursement for compensation claims. This amount is offset by an actual disbursement as reflected on Exhibit "B" as follows:

Actual compensation costs paid—applicable to fiscal year 1950-51..	\$183,725.64
Less: Expenditures incurred but not paid until 1951-1952.....	6,615.14
	<hr/> 177,110.50
Plus: Expenditures incurred during year 1949-1950.....	6,417.30
	<hr/> <u>\$183,527.80</u>

GENERAL

We acknowledge the cooperation extended to us by the staff of the San Francisco City and County Employees' Retirement System and the Controller's office during our examination.

OPINION

In our opinion, the accompanying balance sheet and statement of income and disbursements, together with the foregoing comments, present fairly the financial condition of the City and County of San Francisco Employees' Retirement System at June 30, 1951, and the result of its operation for the fiscal year then ended, and is in conformity with the generally accepted accounting principles and practices consistently applied to the period under review.

Respectfully submitted,

JOSEPH FROGGATT & CO., INC.
Public Accountants and Auditors

By Joseph Froggatt, Jr., C.P.A. (Cal.)
President.

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)
BALANCE SHEET
At June 30, 1951

LIABILITIES

Members' Accumulated Contributions:	
Normal Contributions—Miscellaneous	\$27,426,266.24
Normal Contributions—Police	3,176,699.95
Normal Contributions—Fire	2,104,009.55
Additional Contributions	878,685.24
	\$ 33,585,660.98
City and County Accumulated Contributions	
Current Service	34,696,748.54
Present Value of Service Retirement Annuiti-	
es—	
Current Service	\$ 5,145,762.32
Present Value of Service Retirement Pensions—	
Current Service	\$15,876,616.37
Present Value of Disability Retirement Annuiti-	
es—	
Current Service	\$ 701,161.04
Present Value of Disability Retirement Pensions—	
Current Service:	
Retired Members:	
Miscellaneous	\$ 3,493,201.76
Police 168.1	998,550.01
Fire 171.1	506,755.67
Present Value of Death Allow-	
ances—Current Service:	
Annuiti-es Granted on	
Account of Deceased	
Members	\$ 81,429.53
Pensions Granted on Ac-	
count of Deceased	
Members	712,977.29
Total Present Value—All Annuiti-es and Pensions—	794,406.82
Current Service	
Compensation Costs Payable	
Death Benefits Left on Deposit by Beneficiaries of	
Deceased Members	
Ex-Members' Accumulated Contributions in Suspense	
Advance from Private Sources for Survey Expenses	
	22,370,691.67
	6,615.14
	16,334.07
	23,260.80
	1,873.00
	\$ 90,701,186.20
SPECIAL RESERVES	
Undistributed Earnings from Sale of Bonds	\$ 3,360,375.23
City and County Accumulated Contributions Re-	
served for Current Service Benefits not Other-	
wise Funded and Prior Service Benefits	2,655,068.61
Contingency Reserve Against Adverse	
Experience	2,434,505.62
Adjustments—Reserve Accounts	2,434,505.62
	(489.10)
	8,449,460.36
COMPENSATION DIVISION	
Reserve for Compensation Insurance Claims Pending	
June 30, 1951 (Contra)	990,316.49
	\$100,140,963.05

Subject to comments attached to and forming part of this report.
EXHIBIT "A"

LEDGER ASSETS:

Cash	\$ 3,401,182.32
Bonds Owned (Amortized Value)	95,199,701.61
Accrued Interest	627,218.93
Due from City and County of San Francisco	(146,761.52)
Taxes Receivable, Secured—Allocated to Retirement	69,305.22
System	
Total Ledger Assets	\$99,150,646.56
COMPENSATION DIVISION	
NON-LEDGER ASSETS:	
Estimated City and County Contributions Necessary to Meet	
Outstanding Compensation Claims Pending (Contra)	990,316.49

ASSETS

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)

INVESTMENT BONDS

At June 30, 1951

	Par Value	Amortized Value
United States Government	\$60,014,000.00	\$60,290,124.72
California Municipalities, School Districts, etc.	7,636,450.00	7,396,354.37
Municipalities—Other than California	3,267,000.00	3,498,414.31
Railroads	330,000.00	328,889.42
Railroad Equipment Trusts	3,655,000.00	3,596,412.24
Public Utilities	19,858,000.00	20,089,506.55
	<u>\$94,760,450.00</u>	<u>\$95,199,701.61</u>

Subject to comments attached to and forming part of this report.

EXHIBIT "A"
Schedule No. 1

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
(San Francisco, California)
STATEMENT OF INCOME AND DISBURSEMENTS
For the Fiscal Year Ended June 30, 1951

Ledger Assets at July 1, 1950..... \$ 86,390,304.67 Total Income and Ledger Assets (Brought Forward).....\$106,180,048.69

INCOME

Members' Contributions:

Normal Contributions.....\$4,535,729.89
Miscellaneous Members.....498,680.07
Police 168.1.....354,761.14
Fire 171.1.....\$5,389,171.10

Re-deposits of Withdrawn Accumulated

Contributions.....11,348.33
Additional Contributions.....109,544.79

City and County Contributions:

Current Service Reserves:
Miscellaneous Members.....\$6,160,707.74
Police 168.1.....1,750,236.15
Fire 171.1.....871,165.51
\$8,782,109.40

Current Service Benefits:

Firemen.....\$ 405,645.54
Policemen.....200,622.73
\$ 606,268.27

Prior Service Benefits:

Miscellaneous.....\$ 698,425.70
Firemen.....1,066,620.54
Policemen.....597,833.06
2,362,879.30

11,751,256.97

Other City and County Contributions:

To Meet Administrative Expenses.....159,980.28
Interest on Investments.....2,182,145.42
Profit on Sale of Securities.....248.27
Miscellaneous Income.....448.22
Advance from Private Sources for Survey Expenses.....1,875.00

Compensation Division:

To Meet Net Compensation Insurance Costs Actually Paid.....183,725.64
Total Income.....\$ 19,789,744.02
Total Income and Ledger Assets.....\$106,180,048.69

Subject to comments attached to and forming part of this report.
EXHIBIT "B"

DISBURSEMENTS

Accumulated Contributions Withdrawn.....\$ 878,767.64
Allowances and Benefits Paid:
From Members' Reserves.....\$1,022,421.48
From City and County Reserves.....1,809,157.56
Paid Currently by City and County.....2,945,025.99
Administrative Expenses.....159,980.28
Monthly Installments to Beneficiaries.....8,908.11
Credit to \$2.00 Accumulated Contributions Due from City and County.....21,613.27
\$ 6,845,874.33

Compensation Division:

Compensation Insurance Costs Actually Paid:
Subrogation Recoveries.....Net Payments

Indemnity Payments.....\$200,417.78
Medical Expenses.....182,195.65
Premiums.....4,780.56
Administrative Expenses.....17,223.00
\$404,619.99
\$221,089.19
\$183,527.80

Total Disbursements.....

\$ 7,029,402.13
\$ 99,150,646.56

Balance—Ledger Assets—June 30, 1951.....

